China Weekly Review

密勒氏評論報

China's Recent Economic Developments . . . LI CHEN-NAN

PEKING REVISITED
by REWI ALLEY

GERMANY: AMERICA'S WATCHDOG IN EUROPE

Text of MAO TSE-TUNG'S report on CHINA'S ECONOMY

JUNE 24, 1950

JMP 4,000

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LETTERS From the People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of the China Weekly Review.

STATUS OF WOMEN

To the Editor:

Everybody knows Russia and America are the biggest countries in the world, and in both of them the culture and civilization are very high. The main difference between them is the state system: Russia is a socialist country but America is a capitalist country. According to the state system, the status of women is also different.

A phrase "Ladies First" is very popular talk in the social parties and public places in America. In the movies or magazines we can see that anywhere men and women gather together, women never put on their coats themselves, but always the men help them. While they walk on the street, surely the men walk on the outside. In speeches the words of address certainly are "ladies and gentlemen." It is evident on the surface that Americans more than any other people respect the rights of women.

But we should go ahead and examine more closely. American women in 1920 gained the rights of electing and being elected. Up to now, one has been a senator. In the House of Representatives only seven are women among 435 members of Congress this term. Congress has not yet passed a law giving women equal pay for equal work with men.

On the contrary, Russian women occupy the same important status as men in their country. Before the war there were 11,000,000 Soviet women serving as aviators, sailors and bricklayers. Half of the doctors are women, one-third of the scientists, one-fourth on the People's Judges, and one-fifth of the deputies to the Supreme Soviet are women.

The prestige of a Soviet woman depends primarily on herself, not on her husband's position. If there is a meeting in America, a woman is introduced as the charming wife of Mr. So-and-so. But the Russians are not like that. In the Soviet Union there are no so-called "charming people." No one would go ahead and say, "I am the wife of that high official." A Soviet woman is an individual personality, standing on her own achievements—not a shadow of her husband's importance.

WEN NIEH CHEN

Medhurst College
Shanghai
June 15, 1950

MARRIAGE LAW

To the Editor:

For approximately 4,000 years a feudal marriage system has held sway in China. Innumerable women have suffered under the marriage customs promoted by such a system, and even met their death. The following are five characteristics of feudal marriage:

1) Men Dang Hu Duei (門當戶對)—or marriage within the same class and rank in society. That is to say, the rich must marry the rich and the poor marry the poor.

2) Marriage by contract drawn up by parents and go-betweens. The man and woman concerned have no right to an opinion in the arrangement. In many parts of China this means that a 10-year old boy is married to a girl seven or eight years his senior.

3) A commercial marriage, by which a man purchases his wife. About 20 years ago a girl used to be worth 100-150 silver dollars in north Honan. A man is not limited to one wife, but may take many. The famous warlord of olden days, Chang Tsung-chang, is said to have had more than 70 concubines.

4) Tung Yang Hsi (童養媳) or child marriage—when a girl is betrothed at 10 years old or so and, because her parents are so poor, is sent to her fiance's home to live with his family. She is regarded as a slave by her mother-in-law. The result of such an arrangement is often suicide on the girl's part.

5) Re-marriage of widows forbidden. Widows have no right to re-marry, yet a widow may be sold to someone else by the members of her family.

The above mentioned characteristics of feudal marriage leave little room for love, feeling and affection between couples and each year result in the death of many young women.

In April, the Central People's Government promulgated a new marriage law. People can now marry completely on the basis of free and mutual love. All the feudal marriage customs are abolished and forbidden. The government at each level, throughout the country, is exerting all its energy to promote the carrying out of the new law. Thus, many a woman has been liberated or will soon be freed.

However, in present-day China, feudal influences are still strong and a minority of cadres in various district governments have dealt with marriage questions in a prejudiced manner with serious consequences. Preliminary investigations by the Honan Federation of Democratic Women reveal that in 11 districts, from November of last year to March this year, 174 women met their deaths because of feudal style marriages.

We must build up a free marriage system in the society of New Democracy. Only thus can women be protected and their position in society be raised.

CHANG SHU-CHI

Kaifeng
June 15, 1950

KEY TO PEACE

To the Editor:

Recently we in Shanghai have seen the exhibition of the trophies of war of the new regime. In every way they are convincing proof of the many corruptions and dark practices which have brought about the collapse of the past regime and hastened the birth of the new.

There is no question that the present regime has received the appreciation and welcome of the masses; that its representatives deserve a rightful place in the United Nations; and last but not least, it deserves the sincere and unanimous recognition of all nations who have their representatives at the United Nations Assembly. Further dilly-dallying is completely unnecessary.

The conscientious and heart-searching peoples of the world, irrespective of nationalities and social contradistinctions, are tired of war and its hellish consequences. They are all standing by the Dove of Peace. They see judiciously that cold war actually leads to a clash of arms. It is the gateway to war, international ill-will and devilish pandemonium.

All far-sighted and peace-loving peoples have, one and all, endorsed the public documents outlawing war and its rapacious mongers. Consequently, the recognition of the People's Republic of China is the key to world peace. May it be consummated the sooner the better for the good of humanity.

T. V. P.

Shanghai
June 6, 1950

NOT LIKE OLD TIMES

To the Editor:

With the collapse of the old regime and the birth of the new, all citizens of the People's Republic of China have awakened to the fact that they are the masters as well as servants of their nation.

Previously, although the political underlings twaddled about their so-called democracy, yet

(Continued on Page 72)

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ANTI-COMMUNIST LAWS

THERE is today much talk in a number of countries of outlawing the communist party. In both Australia and South Africa bills have been introduced into the countries' respective legislative bodies for this purpose. In Japan, which is ruled by the US, severe restrictions have been placed upon the activities of the Japanese Communist Party and all indications point to an early outlawing of the party, in fact if not in name. In the United States itself the trial of 11 top members of the American Communist Party is a step toward declaring the party illegal.

There are a number of interesting and important points which may be noted in connection with this "trend." These moves come at a time when there are numerous internal difficulties in each of these countries which are basically economic in nature. Each of these countries is experiencing one or more of the standard forerunners of depression.

More and more the tendency grows to blame all past, present and expected future difficulties upon the communists. From this it is an easy step to label all criticism of current government policies as "communist" or "communist-inspired."

This, it seems to us, is one of the basic purposes of the anti-communist witch hunts. In the case of the United States, for instance, it is ridiculous to assume that not more than 100,000 communists (FBI chief J. Edgar Hoover says there are only 54,000) could pose any kind of "threat" to a nation of some 150,000,000 people.

Even if it could be proved that the American Communist Party was a conspiracy aimed at forcible seizure of the government, how could one imagine such a small group's being able to accomplish the job in the face of police and military forces running into the hundreds of thousands and in a country where the ballot and other democratic traditions run deep?

* * *

THE real importance of the attack upon the communist parties of America, Japan, Australia and South Africa is that this is the beginning of a "legal" assault against the free institutions of these countries. As we have already pointed out, the economies of these countries are beginning to get out of order. More and more, as unemployment grows and as factories close, it is becoming evident that something is wrong.

An increasing number of people are becoming unwilling to accept without question the periodic depressions which seem in recent years to be relieved only by war or preparation for war. In America, the Roosevelt administration proved to the public that it is at least possible to alleviate the effects of economic crises by government regulation of the economy. In addition, the socialist countries are showing that there is nothing God-sent about depressions, that there are ways and means of organizing the economy so as to avoid them altogether. Gradually, as unemployment grows, despite military pump priming to the tune of some 20 billion dollars, many people are beginning to wonder if some fundamental changes are not needed.

The governments of America, Australia and South Africa—as well as the occupation forces in Japan—enjoy the support of and, in most instances, do the bidding of the big businessmen of their respective countries. Naturally any suggestion for altering the "system" is viewed as the work of the devil. As conditions deteriorate, it is not only those who would change the system who bring down the ire of the status quo forces. Anyone who voices criticism of the system or of the existing state of affairs, is immediately suspected of being an "enemy" of the state.

It is precisely against all such criticism that the anti-communist campaigns are directed. The governments of America, Australia and South Africa are not really worried about the "strength" or the "threat" of their respective communist parties. What they are worried about is the increasing tendency of the people—especially the unemployed workers and the impoverished farmers and small businessmen—to begin to ask embarrassing questions such as why is it that real prosperity is only reached when the war industries are booming, or why is it that during a depression wages fall but profits tend to remain level or even to rise.

Thus it has become necessary for the old guard, the men who now control the governments of these countries, to find a method of attacking all fundamental or basic criticism. Since, in each of these countries, there is a strong popular attachment to the so-called Anglo-American precepts of democracy and freedom (Japan's problem must be solved in a way acceptable to the American public), it is not possible simply to toss all critics in jail right away.

It is first necessary to lay the proper groundwork. This is what the anti-communist crusades are designed to do. Fanciful stories of communist plots to seize the government, to poison the water supply, to assassinate government leaders, and so on are fed to the press and daily drummed into the average citizen. He is made the victim of a red scare, a war scare, a disaster scare. Then, when the nation has been psychologically prepared, a move is made to

outlaw the communist party *and all other organizations and individuals who may be judged by the government to hold communist or other similarly dangerous views.*

We can rest assured that the outlawing of the communist party is only the first step. Once this is accomplished, any who criticize the government will be labeled "communists" or "communist sympathizers" or "fellow travelers" and summarily disposed of.

* * *

HISTORY has shown this invariably to be true. In China, following the breakdown in negotiations between the KMT and the Communists at the time of General Marshall's mission to this country, this is what happened. First the Democratic League was banned, its leaders killed, imprisoned or forced into exile. Next all student and worker demonstrations were called "communist" and suppressed. When students in government universities protested against starvation rations, they were beaten back into line by the police who "discovered" communist plots on the campuses. When Shanghai bus drivers struck for more pay, the union leaders were "discovered" to be communists and were executed. Strikes, for no matter what reason, were stated to be against the interests of the "nation," and were forbidden.

This has been the pattern throughout the world. Hitler used exactly the same methods for scuttling the Weimar Republic and establishing himself as dictator. He shouted that the German communists (and the Jews) were the cause of all the country's difficulties. Communists were declared to be foreign agents and traitors.

Once Hitler had convinced the country of the danger of communism, the road to dictatorship was open. Those "anti-communist liberals" who swallowed Hitler's line that it was necessary to extirpate communism soon discovered that they had been duped into approving and supporting decrees which were later used for their own extermination. In his book, "Must We Perish," Hershel Meyer thus describes the pattern in Germany:

". . . On May 17, 1933, the German Social-Democratic deputies in the Reichstag unanimously voted their confidence in Hitler's 'bipartisan' foreign policy, as being in the national interest. Four weeks later these deputies were liquidated. The Von Papen-Hitler coalition declared the aim of the new government to be not only the elimination of Communists and Jews, but also Social Democrats as well. On June 18, 1933, a new loyalty and thought-control decree was issued which legalized the liquidation of these deputies. Thus social democrats and liberals who had fought communists with as much vehemence as the reactionaries awoke one fine morning to find themselves classified as 'secret reds.' "

The fact to be remembered is that once a breach is made in the fundamental laws which protect the rights and freedoms of the people, these rights and freedoms have been all but lost. Hitler's Germany and Chiang's China have showed us that the removal of constitutional guarantees from communists is merely the first step toward destruction of all liberty for all the people.

"CHRISTIAN CIVILIZATION"

PRESS dispatches from Nairobi, Kenya, last week told of a resolution passed at a conference of European settlers in this East African colony urging the British government to make it clear beyond question that the British would remain in East Africa as "builders of Christian civilization" for a very long time to come.

A unanimous resolution passed by the conference charged that subversive politics and racial discord were present in the colony because of the impression that British rule, leadership and enterprise was a temporary expedient, the end of which could be hastened by political agitation. The conference also "emphasized that colonial policy should be above party politics in Britain."

Having witnessed colonialism at work in this part of the world, we find it rather difficult to get exercised over the "plight" of the European settlers in Kenya. As for "Christian civilization," we somehow doubt if that is exactly what the settlers have been building in this East African colony. So far as we have been able to make out, European colonialists seem to believe that "Christian civilization" presupposes the rule of the foreign overseers.

While Kenya's few thousand European settlers, struggling to maintain the white man's rule over a few million natives, call their fight one to maintain "Christian civilization," there are other names for it. Recently the *London Times*, discussing the situation in Malaya, called it the "Pax Britannica" and cynically referred to Britain's endless colonial wars as evidence that "peace is not the natural condition of primitive races."

Basically, what the European settlers have been building is a giant sweatshop in which they are the stockholders and the natives are the under paid and unpaid workers.

To see just how this works, it is only necessary to look at the colony's governmental setup. According to the "Statesman's Yearbook," a reference work published in Great Britain, "Legislation is by ordinance made by the governor with the advice and consent of the Legislative Council." The Legislative Council, according to the same source, "consists of 11 elected European members, 5 elected Indian members, 1 elected Arab member, *2 nominated unofficial members to represent the interests of the African community*, 11 ex-officio official members, and nominated official members not exceeding nine in number (one of whom is specially appointed to represent Arab interests), with the governor as president."

We can thus see that the European community is allowed to elect 11 members to the Council, while the natives are not permitted to elect a single representative, being represented by two *nominated unofficial* representatives. The full significance of this system of representation can be appreciated when it is noted that, according to

1948 census returns, there were 29,500 Europeans and 4,055,000 natives in the colony.

• • •

THE apparent indications of "subversive politics and racial discord" which have so worried the European settlers, we may presume, take the form of native agitation against the political system which gives a handful of foreign immigrants a monopoly upon government and denies some 4,000,000 native Africans the right to govern themselves.

Talk of "Christian civilization" and the bribing of other minority races, such as the Indians and Arabs, by a few seats on the Legislative Council will not stop the Africans from demanding the right to run their own affairs. Judging by recent events in some of Britain's Far Eastern colonies, the matter may be expected to develop along one of two main lines. If the movement for self government is sufficiently strong, the British may try to compromise by making a deal with an upper crust native class, putting political authority in its hands in return for basic economic concessions. Or, if the movement seems weak, the old method of bringing in force to "restore order" may be tried.

However, there is no escaping the fact that the days when Great Britain sweated a better than average standard of living out of millions of colonial natives are coming to an end. Although the cry of the Kenya settlers that "colonial policy should be above party politics" has definitely fallen upon fertile ground in the British Labor government there is no reversing the trend of history.

The colonial peoples are on the march. China, a semi-colony, has freed herself from the last shackles of foreign imperialism. Malaya and Indo-China are on the way. In India, Burma, Indonesia and the Philippines a sort of truce has been achieved in which "political" freedom has been granted, but with economic strings attached. However, the defenses of colonialism have been breached and it is only a matter of time until the fighting front shifts from Asia to Africa.

MAO TSE-TUNG'S SPEECH

A RECENT copy of the *Hongkong Standard* carried a dispatch from San Francisco, datelined June 13, under the following headline: **"REDS DRIVING CHINA TO ECONOMIC RUIN, MAO TSE-TUNG ASSERTS."**

The story is a report of Mao's recent speech to the Central Committee of the Chinese Communist Party.

Readers who may doubt that the head of both the Chinese Communist Party and the Central People's Government of China would so assess his party's activities are invited to turn to page 71 for the full text of this speech.

There they will find no mention of China's being driven to economic ruin of any sort. Instead, they may read Mao Tse-tung's account of the "series of victories" that have been achieved on China's economic front. These achievements, which include the ending of currency inflation for the first time since 1937, the increasing stability of prices, and the approaching balance of national income and expenditure, however striking they may appear to the observer, are defined by Mao in his speech as merely "the beginnings of a turn for the better in the financial and economic situation, but not yet a fundamental turn for the better."

For the fundamental improvement in China's economy, Mao says several conditions are necessary, among them the completion of land reform. He predicts that these conditions will be realized and China's economy fundamentally put on the upgrade "in about three years."

25 Years Ago in *The China Weekly Review*

Under the Students' Banner

June 20, 1925

What is to come out of the present situation, no one would dare to forecast at this time. Although the various military factions have shown a tendency to take advantage of the situation in improving their respective positions, on the other hand they have also shown a remarkable spirit of conciliation toward each other and a tendency to bury personal rivalries under the banner which the students have unfurled and upon which is written in large letters, "Abrogation of the Unequal Treaties."

Chinese in the Philippines

The present Chinese population of the Philippines is around 55,000 people, and almost exclusively 85 percent of them are from the province of Fukien and the rest from the provinces of Kwangtung and Kiangsu. In the words of Mr. Dee C. Chuan, president of the Chinese General Chamber of Commerce, "the Chinese people have invested their capital in the Philippines and have reinvested their earnings as perhaps no other foreigners have. The Chinese investors of capital in foreign countries are as peaceful and law-abiding as any other nationals." The development and progress of Chinese commerce in the Philippines is very amazing and wonderful.

The majority of the Chinese merchants who are in the Philippines are shopkeepers and retailers.

From "Chinese Commerce in the Philippines" by Dr. Fraicosco Vallanueva Conluo

10 Years Ago in *The China Weekly Review*

Orderly Occupation of Paris

June 22, 1940

Adding one more item—and the most important and significant thus far—to the long list of "surprises" which has unrolled during World War II, France this week capitulated to Germany after her armies had crumpled under the long-sustained German offensive and showed themselves incapable of further effective resistance. Great Britain and her Empire have been left to face the Nazi military tide alone.

A series of rapidly-moving events preceded the French decision to call a halt to the struggle. On June 13, hard on the heels of retreating French troops, the Germans pushed forward to occupy Paris, which the French Government had proclaimed an open city in order to avoid its destruction. Announcement that it was an open city was conveyed to the German Government by Mr. William C. Bullitt, American Ambassador to France, who stayed to observe the occupation of the French capital, which he reported later, was effected in an orderly manner.

Air-raids on Chungking

Civilian casualties and property losses caused by recent Japanese aerial attacks on Chungking were considerable. Many foreign establishments were also bombed and heavily damaged. Since the middle of last week, Japanese aircraft have carried out continuous raids over the city. In one of the heaviest and most destructive raids this year on June 16, some 150 Japanese planes rained at least 300 bombs on Chungking, causing an unestimated number of casualties and destroying more than 3,000 buildings in both the walled city and the capital's modern suburbs. Many new government buildings were demolished and the popular "Chungking Hostel" where most of the foreign visitors and newspapermen in Chungking resided, was completely destroyed by direct hits.

Recent Economic Developments in China

The halting of China's inflation for the first time since 1938 has given rise to new problems whose solution lies in land reform and increased foreign trade.

CHINA is going through unprecedented economic changes. These changes are brought about not by any attempt on the part of the Central People's Government to immediately transform the Chinese economy from a capitalistic and semi-feudalistic to a socialistic system. They are brought about by a grim determination of the central authorities to apply drastic measures to rectify a deplorable economic situation which had existed in this country for a long time and which had been greatly intensified in the past couple of years.

At the beginning of the current year the new government of China was confronted with a multiplicity of problems of which the outstanding ones were a coastal blockade and incessant air raids by the refugee Kuomintang regime in Taiwan, serious famine in certain provinces, the maintenance of some nine millions of public-supported soldiers and civil servants and, worst of all, sky-rocketing commodity prices resulting from an over issue of paper money to meet budgetary deficits.

The government tackled these problems with determination. It realized that the Gordian knot was inflation. If the printing press could not be stopped, all panaceas were of no avail, and it would be fruitless to talk about national reconstruction.

* * *

Peking Plans

A SERIES of economic and financial conferences were called in Peking during February. The result was a determination to achieve by the end of June a balanced state between revenue and expenditure, between the inflow and outflow of currency notes of the People's Bank and between places with a surplus and places with an acute shortage of commodities.

To reach these goals, the following measures for unifying China's financial and economic control under the Central People's Government were adopted and immediately put in force:

1) The vaults of the issuing department of the People's Bank were virtually sealed and all needs for cash were to be met from that called in by the People's Bank from the currency in circulation through its business operations. Branches of the Bank throughout this country could no longer ask for cash from their head office. Instead, they were required to surrender to the head office regularly 85 percent of their cash holdings.

2) Immediate steps were taken to push the sales of victory bonds and to invite the public to open various kinds of deposit accounts in order to hasten the flow of currency notes back into banks.

3) A nation-wide network of public treasuries was established and all tax receipts and cash income of government organizations and state industrial and trading enterprises, in excess of their immediate needs, had to be delivered to the public treasuries, from which no disbursements could be made without authorization from the Central People's Government.

4) All commodities stored in public godowns and warehouses were to be inventoried and the power to distribute and utilize such commodities was invested in the central authorities.

5) With the exception of a small percentage allocated to local authorities, all stocks of grains collected from the farming population were placed at the disposal of the Central Government.

Austerity Practiced

Besides the above measures a program of retrenchment and austerity was also adopted. The personnel of both the army and the civilian staff was to be reorganized and the manpower distributed according to the needs of the different organizations. In government-owned factories labor and raw materials were to be so efficiently utilized that maximum productivity could be reached.

The measures decided at the conferences in Peking and taken back by the regional and provincial representatives were carried out with a speed and thoroughness unheard of in Chinese history. The objectives, which were originally expected to be reached in three months' time, were all realized in one month. By the end of April the national budget was balanced, the banks were flooded with cash absorbed from the currency in circulation, and commodity prices maintained such a persistent downward trend that the problem of the government was no longer how to check runaway markets but how to prevent further decline in quotations. Inflation, which has caused untold suffering to the Chinese people since 1938, has been halted in an astonishingly short time. This remarkable success must be ascribed to the organized efficiency of the Central People's Government which can mobilize the Party and the whole political machinery throughout this country to act as one man.

Mr. Chen-nan Li, the author of this article, is associate director of the Economic Research Department of the Bank of China, a post he has held for the past several years. A graduate of Yale in China and of Yale University, Mr Li worked for a time as an economic statistician for General Motors Corporation and was later director of the division of economic studies of the Standard Statistics Company's research department. He is the author of numerous articles in American and Chinese journals dealing with statistical, monetary, and other economic matters. He is now in Peking.

However, the success of the program has given rise to a number of problems. In the first place business failures and the accompanying unemployment have reached large proportions. In Shanghai alone over 10,000 private establishments were closed and some 200,000 workers were thrown out of employment. Secondly, the government has acquired enormous quantities of commodities which cannot be sold in a market glutted with goods dumped by private hoarders, and some of the stocks on hand are reported to be already deteriorating. Thirdly, a huge amount of currency notes, reported to be in the neighborhood of JMP4,000,000,000,000, has returned to the government and commercial banks, which could not loan it out because the incentive for borrowing is lacking and good borrowers are few and far between. Furthermore, the public now has very little purchasing power without which economic prosperity cannot be restored.

The government anticipated these problems, though it did not expect them to appear so soon because it did not expect its program to succeed with such rapidity. However, the authorities are by no means dismayed. They realize that China's current economic ills are only temporary, comparable to the throes of childbirth. In passing from an economy that has been geared to hyper-inflation to an economy of stabilized prices and healthy reconstruction, there are bound to be serious maladjustments and consequently business casualties. The fundamental policy of stabilizing prices will not be changed, nor has any plan of reflation been contemplated. However, effective measures are either already being carried out or will be carried out to cope with the situation. Some of these measures may be termed long-range planning. Others are short-term remedies.

Importance of Land Reform

Of the former, the government first of all pins great hope upon land reform, which has been completed in Manchuria and part of North China and which is expected to cover the whole country in about three years. The land reform in Manchuria has already yielded significant results. For instance, the consumption of cotton cloth in the Northeast was 800,000 bolts in 1947; 1,200,000 bolts in 1948; 3,200,000 bolts in 1949 and may reach well over 10,000,000 bolts in 1950. This shows clearly that the purchasing power of the farmers can be greatly increased after the feudalistic system of land ownership has been abolished and land has been redistributed equitably among the farming population. As 80 per-

cent of the Chinese people are farmers, the completion of land reform will create for China's industries a domestic market of vast potentialities.

Next to land reform comes the development of foreign commerce, particularly China's exports. The authorities are studying the production, transportation, standardization and foreign consumption of Chinese products. In foreign trade, though China will lean heavily upon exchange of goods with the USSR and the new democracies in Eastern Europe, she will also trade with capitalistic countries on a reciprocal and mutual respect basis. Foreign commerce is not only expected to play its part in reviving China's business but to make a fundamental contribution to the industrialization of this country in the years to come.

Efforts have also been made to reorient Chinese industries and domestic trade. Prior to liberation many establishments were engaged in high-price articles and luxurious lines of service and depended entirely upon foreign imperialists, domestic bureaucrats and feudalistic landlords for the purchase of their products and services. With these classes of consumer gone, manufacturers, wholesalers and retailers are told to direct their attention to the rural areas which will form their principal markets. If they are unable to make this conversion, their fate will be sealed. In fact many of the business firms that have failed recently belong to these categories. For this reason the authorities are not at all worried over their passing out of existence.

* * *

Immediate Remedies

OF the immediate remedial measures we may mention: 1) the possibility of some relaxation in the taxing and the bond-selling program so as to give industry and trade a breathing spell; 2) assistance to private industries that are worthy of help in the form of government purchases and loans; 3) establishment of boards of reconciliation between labor and capital; and 4) selected financing of important state projects of economic reconstruction.

Furthermore, the authorities are convinced that the liquidation of an over-stocked position is in no small measure responsible for the current slump. After the selling panic has run its course, commodity prices will reach a state of stability. The purchases of the farmers after the harvest will find depleted inventories on the part of industries, and any replacement demand at that time will cause at least a mild pick-up in business conditions.

Last but not least, the authorities expect the liberation of Taiwan to be only a matter of time. When that eventualizes, the blockade will be completely lifted and the military phase of the revolution will be terminated. Foreign trade will be given a powerful stimulus and funds allocated to the army can be turned to economic investments.

— LI CHEN-NAN

Peking Revisited

Rewi Alley

IN other days I had been through Peking but had never stayed for more than a day or two. The last time was 1936 when Japanese characters were being added to the railway station signs, a preparation for the next period to come.

My memories of Peking were of a place which stayed like the village, where shopkeepers and workers were polite and dignified and where life moved in a leisurely, gentle way on the surface but where underneath change was always in the air. It was a center where politicians gathered, where embassy staff and embassy garrison officers played polo on the glacis.

Tourists came to buy curios and handicrafts and to take pictures of past glories, while the placid followers of Jesus the Carpenter grew old and mellow gently in stately mission compounds, surrounded by thoughtful servants. It was a town of longing where a craftsman would put his whole heart and soul into the carving of an elephant's tusks, a jade amulet, a turquoise ring.

It was a market for books. Eager intellectuals of a dozen universities thronged around the bookstalls, picking over thumbed volumes on newer philosophy and science. There were crowds of thin, underfed students in long gowns and horn-rimmed spectacles who were searching for a way.

I remembered the hungry rickshaw pullers, the poor drains, the dead water in Pei Hai, the muck, the high grass growing out from under the glazed tiles on old imperial roofs. I also remembered the city as a heaven for young gentlemen and young ladies of rich old families who grew up in homes full of heavy blackwood furniture, massive chests, priceless brocades and who became almost a species of their own, so divorced were they from the country upon which they lived.

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BUT those were the impressions of 15 years ago. This year it was on an early January morning that we stepped out of our train, which had brought us over the miraculously reconstructed Pinghan railway to the new Peking.

Of the old conquerers? Little is left. There is a rubbish heap where the Japanese army shrine stood, a few wrecked Japanese army trucks, a broken down tank. There are some Kuomintang uniforms and high shiny boots to be bought at a discount, some swords with five barred flags on their handles but of steel too poor to be made into pen knives or screwdrivers, as one prospective buyer remarked. The roadside stalls have tins of coffee, dried potatoes, chewing tobacco, gum, and frying pans made in the USA.

Some of the old legations are now empty. PLA men may be seen doing gymnastics on one part of the glacis, while a mass meeting of workers occupies another part. Gone are the legation guards, the haughty officers. The new Red Square fronting the old Imperial City is spacious and dignified and traffic swirls past the point duty police who handle it deftly and ably.

Pedicab drivers discuss the possibilities of farming in Suiyuan or their latest union meeting. People stand and look at Peihai being drained and cleaned, for fresh water will now flow through city lakes. Soldiers clean out city drains of the accumulated mud and filth of years and peasants come to carry the cleanings out to the country for fertilizer.

In the Temple of Heaven Park, a people's hospital attends to the needs of cadres, but the old "red light" district outside its gates has ceased to be. Prostitution has gone bankrupt since liberation, along with the gangster element which lived from it. As I waited in the dental department of the Peking National University, two old soldiers came and sat on the same bench. One took out a book of Chairman Mao's speeches and read extracts to the other, who nodded gravely as he agreed. They were two old men, both showing the signs of hardship, one who could read stumblingly and the other who could not.

Everywhere, as one walks on the streets, sits in street cars, one hears the expressions, "solve problems," "overtake difficulties," "research into the matter." Everywhere one hears of work being done, of plans to be worked out, of meetings to be held, of hope and of creativeness.

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THERE will be disappointment, of course, but the onward surge of the people will clean them away and the new China for which so much has been sacrificed will surely and steadily come into being. This, one feels, is something greater than any atom bomb discovery, greater than perhaps any single thing in our world today.

Thus, has Peking, the dream city of courtesy and charm, become the Peking that directs railroad construction and land reform. It is the city where essential industry is planned, the city where realists who have been trained to meet real problems come together to find new ways. Never, under any emperor, has Peking had such a vital role which so intimately affects the lives of the people. Never before has the common man of Peking felt that he had so direct a part in what is being planned and in its execution.

The new Peking stands as a symbol of hope and peace, not only for the millions of crowded China, and for all the peoples of Asia, but also for the workers of the world who in the end shall surely unite and cast aside every chain that binds them. The process may not be fast, but its speed will gather as results continue to be made and as planning continues to suceed. The new Peking has come to stay. This, perhaps, is the chief impression three months in the capital has left with me.

Germany: America's Watchdog in Europe

The US corporations and militarists who worked with the Nazis before the war are now instrumental in restoring the men and cartels who built Hitler.

FIVE years have passed since the forces of Nazism were defeated in Europe. At that time people throughout the world looked forward to the complete elimination of the factors in Germany which, twice in 25 years, had plunged the world into war in an attempt at world domination. However, in the five years which have elapsed since the Nazis were crushed, America has taken over the task which Hitler and his minions continually told the world they were out to accomplish, "saving the world from communism."

America's feverish searching for "ground troops" in Western Europe and attempt to force the question of a rapprochement between France and Western Germany have come more and more into the open following realization of the fact that America no longer has a monopoly on the atom bomb. The US policy in Europe, which is based on the Atlantic Pact, makes no sense unless Germany is rearmed. It is only because those who are bent on plunging America into another war are still fearful of public opinion against war that all of America's moves in West Germany have been qualified with reassurances that "we don't intend to rearm the Germans now."

Despite the endless pouring of Marshall Plan money into western Europe and official American statements that "we are winning the 'cold war' in Europe," the only possible reliable ally for the US is a militarily revived Germany which is "safely" controlled by a combination of American finance capital and the same cartelized monopoly-capitalists who started Hitler on the path which plunged the world into the Second World War. The agreement to stop the dismantling of 18 big Western German factories in November of last year was an open signal that this was beginning. The plants which were removed from the dismantling list included the Thyssen steel works, one of the largest in Europe. In addition to these 18 plants, it was announced that further dismantling of the I. G. Farben plant at Ludwigshafen-Oppau was not to take place except for specified equipment.

Rearming Germany

With Winston Churchill as its main advocate, German rearmament is on the agenda. Following the inauguration of the Atlantic Pact it was belatedly discovered that the building of Germany was the only solution to the unreliability and weakness of other continental "allies" such as France and Italy. However, even in this, military observers who have not become lost in nightmares of "communism bursting into the parlor at any moment" are agreed that even from a purely military view, leaving political and moral objections aside, a grave error is being made. The error lies in the belief that the Germans are a perennial race of warriors and ready for battle at any time and under any circumstances.

A glance at the writings of one of the more rational Nazi generals, Franz Halder, former chief of the Wehrmacht, is an insight into the unfeasibility of trying to "win with Germany." In his book, "Hitler as Commander-in-Chief," Halder states that the rout of the German army was an absolute defeat which drained the roots of Germany's potential military strength for good. He emphasizes the fact that the German first-line, battle-tested divisions were decimated even before their Stalingrad catastrophe. What followed was the annihilation, in the strictest sense of the world, of German military power to the last reserve. In the east as in the west, the Wehrmacht was turned to rubble as no other army in history.

In addition, as if warning the American military minds who are insisting on staking themselves on the beaten German army, General Halder confesses the superiority in the last war of the Soviet army. He admits that the Wehrmacht was beaten in the east according to the best rules of modern war strategy, was outfought and outmaneuvered while it clung to the out-dated system of positional warfare. However, despite this and other warnings of German generals, the irrational belief in a German military recovery is dominating American planning for Europe.

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ON February 14, 1945, Roosevelt Churchill and Stalin signed an agreement which contained among others, the following declaration: ". . . It is our inflexible purpose to destroy German militarism and Nazism and to insure that Germany will never again be able to disturb the peace of the world. We are determined to disarm and disband all German armed forces; break up for all time the German general staff that has repeatedly contrived the resurgence of German militarism; remove or destroy all German military equipment; eliminate or control all German industry that could be used for military production; bring all war criminals to just and swift punishment and exact reparation in kind for destruction wrought by the Germans, wipe out the Nazi party, Nazi laws, organizations and institutions, remove all Nazi and military influences from public offices and from the cultural and economic life of the German people. . ."

Today, this pledge rings hollowly amidst the restoration of Hitler's supporters to office, the recurrences of anti-Semitism, and the reports that German officials have been showing "more or less open resistance" to the employment in state or local civil service of people who had been connected with denazification courts.

The connection between American and German capital is responsible for this policy. James Martin, a former chief US "trust-buster" in Germany who resigned his occupation job because of the lack of reinforcements of anti-cartel policies, has stated that secret attempts are being made to bring American interests into a revival of the pre-war world steel combine. Testifying before a Congressional committee investigating business monopolies this April, Martin produced evidence that American "big steel" participated in the Nazi-fostered combine before the war. He said that the activities of the American steel firms have "brought back to active work the men who put Adolf Hitler in power in Germany." He linked three of the largest American steel companies—US Steel, Bethlehem and Republic—with the Nazi scheme to control production and divide pre-war markets. Martin stated that the rebirth of the cartel was under way before 1947 and that several agencies of the international steel cartel had held secret meetings in Brussels.

Monopoly Connections

The connections between American capitalism and German capitalism have a long and unsavory history. Monopoly capital knows no national boundaries where the rate of profit is concerned. In 1943, when the West was still delaying the opening of a second front in Europe, powerful British-American interests were searching for a compromise as a way out of the "dilemma of victory." The looming defeat of European fascism, they feared, would bring into sight the doom of European monopoly capitalism. According to documents captured by Soviet troops in Germany at various intervals during the war, big business representatives of the West carried on negotiations with Nazi agents for a separate peace with Germany. Allen Dulles, brother of John Foster Dulles and connected with American banking interests, in his capacity as an OSS agent conferred in February, 1943 in Geneva with one of Hitler's representatives, Prince Hohenloe. According to testimony given by former US Attorney-General Francis Biddle before a Senate Judiciary committee on May 17, 1945, Dulles approved the German contention that "a strong federated greater Germany is the best guarantee against Bolshevism and Pan Slavism" and recognized the necessity for preserving German industry's leading role in Europe.

The complete story of the hand-in-glove workings of American and Nazi capitalism has not yet been told. However, there has been enough unearthed to show that there are now highly placed in the American government, cronies of Nazism who want the profits made possible by war and are bent on combatting anything which stands in their way. Whatever wish they may have for an immediate war they face one huge obstacle. The peoples of Europe, the chief sufferers in the last war, are not anxious to fight; nor are the American people. At the same time, the American people have been made the victims of an enormous,

calculated "war scare" which cloaks every aggressive move as a defense step necessary for "peace." There is a similarity too close for comfort to the claims of Hitler that every act of aggression he committed was the last step in attaining peace.

Look at Record

"Let's look at the record" is a well-worn slogan used by American politicians in election campaigns. A look at the record of some of America's policy makers should be revealing in understanding the present course of US foreign policy.

As to what sort of a future the American people can expect there is, for example, Republican elder-statesman John Foster Dulles, set up as a bi-partisan foreign policy leader. Dulles had close financial ties with Nazi Germany. Hitler's industrial core, I. G. Farben, controlled 380 German firms and 500 companies in 93 countries. It had 162 cartel affiliates in America as well as agreements with the US's mightiest capitalists, Dupont and Mellon's Aluminum Corporation of America. The trail of I.G. Farben also leads to Dulles, head of a Wall Street law firm, Sullivan and Cromwell. Through Dulles, cartel agreements were worked out between US Steel, the Aluminum Corporation of America, the Dupont trusts and I. G. Farben and the Vereinigte Stahlwerke in the period before the Second World War. At one point, Dulles did not even bother to mask his pro-fascist, pro-German sympathies, and when an I. G. Farben official traveling in the US was exposed as a Nazi agent, Dulles defended him.

Senator Claude Pepper at one time declared that Dulles was one of those who helped Hitler come to power "since it was through Dulles' firm and the Schroeder banking corporation that Hitler got the money he needed to start his career as an international bandit." Dulles was linked to Hitler Germany by still another tie; brother Allen was the director of the New York branch of the J. Henry Schroeder Banking Corporation.

Before the war this bank was the acknowledged financial agent in America of the Hitler government and also represented many Farben interests. Schroeder and company also served as the financial agents of the Vereinigte Stahlwerke which, together with I. G. Farben, formed the backbone of Hitler's rearmament program. John Foster Dulles' firm represented the legal interests of the Schroeder corporation, Farben, Standard Oil and the Chase National Bank. American capital to finance the German steel trusts was funnelled through the Schroeder banking corporation, as well as through another banking firm, Dillon Read. Thus American banks and corporations both were instrumental in the restoration of reaction in Germany.

Men such as John Foster Dulles are making US foreign policy today. Two days after the Nazis attacked the Soviet Union the *New York Times* of June 24, 1941 quoted a US senator as advocating that, "if we see Germany is winning the war we ought to help Russia and if we see that Russia is winning we ought to help Germany; and in that way let them kill as many as possible." The senator was Harry Truman of Missouri who, following his assumption to the presidency after Roosevelt's death in 1945, handed over America's affairs to a military super-cabinet, headed by Admiral Leahy, James Forrestal and General Marshall. The first represented the reactionary forces centered in the Vatican; the second, the Wall Street industrialists and financiers; and the third, the entrenched army officer class.

Who Runs Government?

Henry Wallace in September, 1947 described America's new government as being by and for the millionaires and standing for the abridgement of civil liberties, the rights of labor, and the insensate drive for war. "In the government," Wallace stated, "we find the Under-Secretary [of Army] Robert Lovett, a former partner in the Brown Brothers-Harriman banking firm. The Assistant-Secretary, Charles Saltzman, a former vice-president of the New York Stock Exchange. Ambassador to England, Lewis Douglas, chairman of the powerful Mutual Life Insurance Company. Then there is the Defense Secretary, James Forrestal, on leave as head of the Wall Street banking firm of Dillon Read Company; the Secretary of Commerce W. Averell Harriman, chairman of the Brown Brothers-Harriman firm, and the Secretary of the Treasury, John Snyder, a banker from St. Louis. Another Dillon Read product has just returned from Germany to become Assistant-Secretary of War. Under the Republicans Wall Street ran America; under the present administration Wall Street is set to run the world."

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CONNECTED before the war by a thousand ties with I. G. Farben, the Dupont de Nemours chemical trust has and continues to be a partner with German monopoly capital. According to the Kilgore Report, an official US government document compiled by Senator Kilgore and issued in 1944, which dealt with the economic and political aspects of international cartels, documentary evidence of Dupont-Nazi dealings were many. The report states that when a stockholder of General Motors (Dupont controlled) asked about doing business with Nazism, the chairman, Alfred P. Sloan, replied: "Such matters should not be considered the business of the management."

This government inquiry revealed that US members of the I. G. Farben cartel had promised the Nazis that they would restore the arrangement after the war ended no matter who won. A Dupont resolution in 1941 said dealings would "remain suspended until the termination of the present international emergency." In a chapter on "Post-War Planning by Cartels" the Kilgore Report states that Dupont apparently had an understanding that many, if not all of its cartel agreements will be resumed after the war. A previous US Senate investigation discovered that the Duponts had helped arm Hitler. In February, 1933 Felix Dupont signed a contract with a Hitler agent, Giera. Although it was a violation of the Versailles Treaty to arm Germany, the Duponts made Giera their agent for Germany and Holland, "to negotiate the sale of military pro-

Resurgence of Anti-Semitism

The extent of anti-Semitism among the population of Germany is the simplest weather vane of the recrudescence of Nazism. According to qualified observers, some of whom have been occupation officials or members of organizations investigating the situation, anti-Semitism is more pronounced in Western Germany today than when Hitler first appeared on the scene in the 1920's.

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THE Jewish community now living in Germany, as a result of Nazi blood-letting, is now less than 20,000. There were about 600,000 in 1933 when Hitler took over. Thus, the intensity of German prejudice against Jews, in view of the small number remaining, demonstrates quite clearly that millions of Germans are still motivated by the insane Hitlerian ramblings of "pure race" and propaganda techniques of making the Jews the scapegoats for the evils of a decaying society.

There have been reports of anti-Jewish incidents in the past several months in the form of desecrating graves and places of worship. Despite the lame alibi of such actions being mainly "childish pranks," correspondents report from the western zone that these acts of vandalism have been occurring with such regularity that it no longer can be excused as the tricks of children at play.

Recently, in Nuremberg, an American officer, after a long lecture to a German youth group on the frauds practiced by Hitler, asked his audience who was responsible for the war. "The Jews," they replied. Anti-Jewish riots have been frequent in Western Germany. According to one recent report on Germany, "a Jewish ceremonial, the exhibition of an anti-Nazi movie or the selection of a Jew for government service has been enough to spark the flame of an anti-Semitic demonstration."

Hand in hand with the re-emergence of the Hitlerian scourge of anti-Semitism has been the fact that in West Germany the school system is now shot through with teachers and educators who are Nazis.

According to Dr. Alonzo G. Grace, who resigned his occupation post as director of education and cultural relations, he once walked into a classroom in a school where the teacher was explaining the alphabet. The method used was: "A is for Adolf, H is for Hitler, G is for Goebbels." Dr. Grace reportedly resigned in protest over the lack of attention being given to re-education in the western sector of Germany.

pellants and military explosives to purchasers located in that territory."

Bankers in Uniform

Following the end of the war a grand rush of American industrial and banking leaders—most of them disguised in the uniforms of the OSS, Bureau of Economic Warfare, and some semi-military outfits—poured into Germany. Today, the most frightening predictions of what sort of Germany these people were interested in turning out are coming true. At that time no less known a columnist than Drew Pearson wrote: "the seeds of the next war will be nourished or rooted up at the San Francisco Conference. Actually the seeds have already been planted but the roots are not deep and they can be torn up. . . " He then named the American bankers and industrialists who were already intriguing for restored relations with the Nazis and Nazi cartel interests. The list included "Paul Mellon, son of Andrew Mellon; Julius and Henry Morgan of the House of Morgan; Alfred Dupont; Lestor Armour of the Chicago Armours; . . . and Allen Dulles, attorney for various international bankers with previous connections in Germany. . . "

A list of some of the men who helped violate the spirit of the Potsdam Declaration in public life and who in private life were top-flight American industrialists whose companies maintained close working relations with the powerful I. C. Farben trust is most revealing. All these men were high in American Military Government in Germany:

General William H. Draper, chief of the economics division, in private life a member of Dillon, Reed Company, National City Bank and Bankers Trust Company (the latter controlled by J. P. Morgan Company).

Colonel Frederick Pope, in charge of chemicals, who, until the Nazis overran Europe, was the New York representative of Synthetic Nitrogen Products Corporation, which was organized in the US to handle all nitrogen-bearing materials made by I. G. Farben.

Hilland C. Batcheller, in charge of steel, was president of Allegheny-Ludlum Steel Corporation. As president of Ludlum Steel Company, predecessor of his present company, Batcheller joined with Nazi big-wig Frederich Krupp and with several other American companies in forming Krupp Nirosta to exploit two Krupp patents relating to heat treatment of stainless steel. Subsequently this firm assigned other patents to the Krupp outfit.

Cartels Slowed War Effort

Although evidence was published during the war proving that the American war effort was hampered by cartel agreements the Nazis had with DuPont, Standard Oil, and dozens of other companies, representatives of these firms were immediately placed in key army spots in Germany after the war, dealing with that nation's industrial capacity. Some of them included:

Major Igor Petroff, attorney for General Motors.

Edward S. Zdunek, former head of General Motors at Antwerp.

Peter Hoglund, on leave from General Motors.

Philip P. Clover of Socony-Vacuum, a subsidiary of Standard Oil of New Jersey.

Philip Gaethke, before the war manager of the German properties of Anaconda Copper Company.

In connection with American industry's relations with Nazi Germany, mention must be made of Henry Ford, who lost no time in renewing his old ties in Germany, after the war. A report from Germany in July, 1945, two months after the Nazi surrender, stated: "Confidential agents of the Ford interests have arrived in Germany and are circulating there. The largest Ford property in the Reich consists of the Cologne plants which appear to have suffered little serious damage during the air raids and have restarted production. Ford owns nine-tenths of the 20,000,000 mark capital . . . I. G. Farben own a minority interest. Carl Bosch, chairmain of the IGF, was listed in the latest available German directory as chairman of the board of directors of the Cologne Ford plants. . . "

"Whoever masters the Ruhr is master of Europe," declared William Mulvaney, 19th century Irish founder and first president of the Association of Ruhr Industries. Before the war, Western Europe was the world's workshop, controlling over 50 percent of the world's trade, and its heart was in Western Germany. Well aware of this, the American trusts, new claimants to world hegemony, decided to go into a full partnership with its German masters. In October, 1945 a Hitler collaborator and Ruhr magnate, Arnold Rechtberg, placed a memorandum before the American

KMT Lobby Busy

EVIDENCE of Chinese Nationalist lobby activity in Washington has come out in connection with the current Senate investigation of Senator Joseph McCarthy's charges against US State Department personnel.

Senator McCarthy has charged that "communist infiltration" in the State Department was responsible for the US policy failure in China. He has singled out as his main targets Professor Owen Lattimore, whom he calls the "chief architect" of US policy in the Far East, US Ambassador-at-Large Philip Jessup, and Secretary of State Dean Acheson.

This group of Administration spokesmen have been against further military aid to the Nationalist government on Taiwan and have advocated, instead, steps to "contain" communism elsewhere in Asia. Opposing this faction has been an "arm Formosa" combination of Republican congressmen and military leaders. It is common knowledge that the Chinese Nationalist lobby in Washington has been active among this latter group.

Owen Lattimore replied to the attack made against himself by charging that the Chinese lobby had provided McCarthy with his material.

He named Alfred Kohlberg, New York importer of Chinese textiles and founder of the pro-Kuomintang China Policy Association, as one of Senator McCarthy's informants. Kohlberg later admitted this to be true.

A second person named was William Goodwin, who is currently registered with Congress as a lobbyist for the Chiang regime at a $65,000 retainer for a two-year period.

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ADDITIONAL information on these two people was given in the weekly newsletter *In Fact*, which declared that they were helping to finance the senator's smear campaign against public figures who are not willing to continue all-out aid to Chiang Kai-shek.

"Kohlberg's huge financial interest in China is combined with an active political involvement," *In Fact* reported. "For years he has sent out lithographed material on his business stationery attacking communist interests in China and accusing all who oppose the Chiang regime of being either outright reds or fellow travellers. . .

"April 6, this weekly asked Kohlberg, in a telephone interview, to comment on the charge, first made by Drew Pearson, that he was putting up the money for McCarthy and might properly be investigated by the House Lobbying Committee. Kohlberg refused to confirm or deny the charge. He stated, however, that Senator McCarthy was speaking the truth when he charged that 'reds in the State Department mapped China policy.

"'He is saying what I have been saying for years,' Kohlberg said. The following day, Kohlberg admitted that he was one of the senator's secret sources.

"Kohlberg's interest in politics stems from a meeting between him and Madame Chiang Kai-shek more than a decade ago. Americans who knew him years ago described him as a non-political person interested mainly in making money. When Chiang Kai-shek's internal difficulties started, Kohlberg was introduced to the Madame as a millionaire who had taken a fortune out of China and might be prevailed upon to begin spending some of it in the country's behalf. The Generalissimo himself gave a state dinner in the importer's honor and shortly thereafter Kohlberg returned to America and founded the China Policy Association, which began propagandizing in Chiang's behalf.

"Last September, when it was disclosed that the importer had supplied US$1,000 to Senator Styles Bridges of New Hampshire (Bridges, by coincidence, is one of the few Republicans to back McCarthy's current smear campaign, other members of the GOP shunning the mess), the St. Louis *Post-Dispatch* in an editorial (September 22) suggested that Congress find out why Kohlberg was not registered as a lobbyist. The importer brushed this off in typical fashion.

occupation authorities dealing with the restoration of Germany's heavy industry and the formation of a western bloc against the Soviet Union. This plan, after scrutiny by the administration, including Republican bigwigs such as Dulles, Hoover and Vandenberg, was remolded, rewritten, and renamed the Marshall Plan.

At first hearing, the smaller European nations were either ignored or told to wait for their turn under the Marshall Plan. France, seeing a threat to her security in the restoration of the Ruhr, at first strenuously opposed. She was then given the "squeeze" and cut off from $10 a ton Ruhr coal as well as trade with Eastern Europe and compelled to accept American coal at $20 a ton. Once she was dependent on American coal and wheat, French protests against a Ruhr revitalization were reduced to a harmless moan. At the same time dollar hungry Britain was threatened with foreclosure and a stoppage of dollar loans unless she, too, gracefully yielded in the Ruhr. Along with open and implied threats both Britain and France were promised that Congress would pass the multi-billion Marshall bill and no "allies" need languish. However, there had to be unity and cooperation.

When the Marshall Plan was first announced the USSR predicted that the American monopolists, by controlling the Ruhr cartels, would seek to subjugate all of Europe as an outlet for surplus consumer and other goods and use it as a source of raw materials. And finally, that American-British imperialism would employ Western Germany and the Ruhr as a two-headed spear directed against the French and European working class and progressive movements as well as in the setting up of a war preparations base against the Soviet Union and Eastern Europe.

In his book, "Must We Perish," a documented expose of American government designs in Europe published last year, Hershel D. Meyer points out post war developments in Germany. "While sociologists, superficially acknowledging economic motives, dwelt on the moral and physical aspect of German aggression, pointing to symptoms as causes, specially chosen, high-salaried financial and banking executives were sent to Germany to save the Nazi body—its industrialists, officers and financiers. In taking stock of the German body these gentlemen discovered that it had lost none of its pre-war charms, for example, relatively cheap Ruhr labor, willing social-democratic procurers and affable, submissive owners anxious to minister to the desires of their new clients. Industry in West Germany had escaped with 75 percent of its plants intact and the rest showed only 10 to 25 percent damage.

"In 1944, while American troops were on the Normandy beaches, some far-sighted Wall Street interests set their goal on acquiring complete control of the German cartels. This accounts for certain plants, especially those with prior American ties, not having been bombed though they formed conspicuous targets and were essential to Hitler's war machine." Meyer stated.

US in Nazi Shoes

The American people today do not realize that in the eyes of tens of millions of people throughout the world the American government is stepping into the shoes of the Nazis and the Japanese. In every nation in Asia where the shackles of imperialism and colonialism are being shattered America's "fight against communism" is nothing but an attempt to re-chain the people to their former oppressors.

The men who are leading America today might do well to read the history of the country they are so blithely committing to war and ruin. America is no Germany. Americans have never been militarized and they don't like goosestepping. Despite racial brutalities, organized by fascist minorities, there is no mass basis for fascism among the American people. They have had a different history from the Germans and they will not forever have their eyes shut and succumb to mysticisms such as Aryanism or medieval barbarisms. America has had two democratic revolutions, and the mores and memories of democracy, which have upsurged during every great crisis, run true and deep.

For the American people, now in the grip of a group driving them down the path of Germany, the future is a hard struggle. However, for those who would destroy her it would be well for them to remember the words of one of America's great democrats, Abraham Lincoln: "This nation, of the people, for the people, and by the people, will not perish from the earth."

— *ALEC STOCK*

usy in Washington

'The St. Louis *Post-Dispatch* is just like the *Daily Worker*,' he told this weekly."

The *Post Dispatch* editorial headed, "Who is Alfred Kohlberg?" stated:

"Senator Bridges' admission that he accepted a $1,000 campaign contribution from Alfred Kohlberg, a special pleader for Nationalist China, whose views he has faithfully echoed in Congress, calls for an investigation . . . an investigation into Alfred Kohlberg, and what his relations are with other members of Congress and publicists whom *The Economist* of London calls 'The China Cult.'

"One of the first questions an investigating committee of Congress should ask is why Mr. Kohlberg has not registered as a lobbyist. Penalties of up to $5,000 fine and a year's imprisonment are provided by the Registration of Lobbying Act for failure to register.

"Yet Mr. Kohlberg is carrying on extensive activities to influence legislation and publicity in behalf of Nationalist China. He comes close to being the official apologist for Chiang Kai-shek in this country. He says freely that he does a $1,500,000-a-year textile import business from China which would be wiped out if the Communists controlled that country. He says he is the prime mover and financial angel of the American China Policy Association, which sends material—actually propaganda—on China to about 2,000 publishers and editors. . .

"What are the ramifications of legislators and publishers whom Mr. Kohlberg influences or seeks to influence? Where does the money to do it come from and how is it spent? If he isn't a lobbyist on a gigantic scale, what is he? And if he is a lobbyist, why isn't he prosecuted under the Registration of Lobbying Act for failure to register?"

With regard to Goodwin, *In Fact* said he is a Christian Front leader and founder of the fascist American Rock Party, who ran for Congress in 1936 with the backing of Father Coughlin and lost. In 1941 he set up the American Rock Party and ran for mayor of New York City. He lost again. He is on record, according to *In Fact*, as stating that democracy is "unadulterated slime" and adding that "I wouldn't say fascism would be a bad thing for us at all."

It was revealed last September that he had registered as a Chiang lobbyist.

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A COMPARISON of Senator McCarthy's speeches with pronouncements made by leading Kuomintang strategists makes interesting reading. Both McCarthy and K. C. Wu, former mayor of Shanghai and more recently governor of Taiwan, for example, have been criticizing US aid to the Bao Dai regime in Indo-China on the ground that it could be put to better use in Taiwan.

K. C. Wu declared in an interview May 14 with an American press agency, "How many regular army men are there in Indo-China? How many does the Philippines have? How many in Malaya? Burma cannot even cope with its own insurgents. The Filipinos cannot put down the Huks. Add them all up together and you will find the combined total is not nearly as great as the armies Nationalist China now has in the field.

"We have 600,000 men under arms, trained, many of them battle veterans. If that force is removed from the Communist path through exhaustion of our resources and all outside help withheld, how can the rest of Asia with far fewer men, less equipment, no common front, hope to hold?"

The following day, speaking in Atlantic City, New Jersey, Senator McCarthy faithfully echoed this Kuomintang sentiment. Secretary Acheson, he charged, had "suddenly discovered there was a place called Indo-China, an area in which there is no fighting force to even remotely compare to the troops on the island of Formosa . . . here is where we will dissipate American dollars and materials for defense—materials needed so urgently by the fighting forces on Formosa."

CHINA AFFAIRS

NATIONAL

PPCC Committee Meets

AGRARIAN reform and a draft agrarian law were the main items on the agenda of the opening of the second meeting of the National Committee of the Chinese People's Political Consultative Conference in Peking. Chairman Mao Tse-tung made the opening speech, followed by Chen Hsu-tung, vice-chairman of the National Committee, who reported on the work of the National Committee.

Aside from agrarian reform the reports which were made to the National Committee included: 1) report on economic and financial affairs, 2) report on taxation; 3) report on foreign affairs; 4) report on cultural and educational work; 5) report on military affairs; 6) report on the work of the people's courts; and 7) report on the proposed national emblem.

The National Committee, which was elected last October by the plenary session of the Chinese People's Political Consultative Conference, is composed of representatives from all democratic political parties and groups, people's organizations, national minorities, the People's Liberation Army, religious circles, overseas Chinese and patriotic democrats.

The committee meets twice a year and its functions are to operate between meetings of the Chinese People's Political Consulative Conference and to carry out its decisions, to discuss and submit proposals to the Central People's Government, to ensure the cooperation for all parties and groups in the government, develop united front work in different localities and strengthen internal unity.

Standing Committee Report

THE report of the Standing Committee of the National Committee of the PPCC, which was presented at the opening meeting, pointed out that the Standing Committee had discussed important decisions of the Central People's Government Council made during its recent meetings. These included: the 1950 budget, the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance and the recent marriage law.

The political and judicial, financial and economic, cultural and educational, diplomatic, nationalities, overseas Chinese, and religious subcommittees announced they had discussed the questions related to their work.

It was also stated in the report of the Standing Committee that the fortnightly discussion meetings on current affairs and political questions were organized on the initiative of the China Democratic League, the Revolutionary Committee of the Kuomintang, and the Democratic National Construction Association along with the representatives from the headquarters of all democratic parties and people's organizations which participate in the PPCC. A main topic of discussion was the documents issued by the Central Committee of the CCP on strengthening the link between party members and the masses and the decision to develop criticism and self-criticism.

Report on Education

ONE of the items high up on the agenda of plans for future China is education. At the PPCC meeting in Peking, Minister of Education Ma Hsu-lun reported that the distribution of China's 227 schools of higher education is uneven. The education minister stated that 85 such institutions were located in East China and 43 of these were to be found in Shanghai. Thus, the city of Shanghai contains one-fifth of the nation's institutes of higher learning.

According to the report, 15 percent of the nation's 227 schools of higher education are of the new type and thoroughly reformed.

The aim of higher education, based on the Common Program, was to train specialized personnel for the construction of new democracy who would possess high educational qualifications, master the newest achievements of modern science and wholeheartedly serve the people. A scientific approach and method must be used to develop research work related to history, economics, politics, foreign affairs, philosophy, literature and the arts. Great efforts must be made to popularize scientific technique and knowledge among the masses, thereby raising their cultural and scientific level and pushing forward the construction of the entire country, the minister's report stated.

Referring to the line to be taken regarding policy for China's higher education, Minister of Education Ma said: 1) Most important of all, higher education must be linked with the needs of the nation's economic, political, cultural and national defense construction primarily serving economic construction. Referring to reforming the school curricula on a national scale, the minister said that the fundamental principle in this reformation is to attain unity between theory and practice, with the content of the curricula conforming to the needs of national construction. He stressed the need to overcome unrealistic dogmatism, and at the same time to avoid falling into narrow empiricism, which belittles theory and study and disregards long-term and all-around interests.

2) China's higher schools should open their doors to workers and peasants, so as to train an adequate

Text of Mao's Opening Address

ADDRESSING the opening session of the second meeting of the National Committee of the Chinese People's Political Consultative Conference in Peking June 14, Chairman Mao Tse-tung said:

"Fellow members, comrades and friends: The second meeting of the National Committee of the People's Political Consultative Conference is now open. In the meeting, there will be reports on the work of the National Committee, on the work of agrarian reform, on the financial and economic work, on the taxation work, on the foreign affairs and the united front work, on the cultural and educational work, on the military work and on the work of the courts, which it is hoped will be discussed.

"Among them, the central theme of the session is agrarian reform. We hope that the draft agrarian reform law will be adopted by the session and will come into force after it is ratified by the Central People's Government. This will, in the first place, enable more than 100,000 cadres who are preparing to carry out agrarian reform to study the law early, so that reformation of the agrarian system can be carried out smoothly after this autumn in an area with about 100 million rural population.

"Of course, other reports are also important. Any opinion can be raised here and any proposal can be submitted for examination and discussion. And if they are practicable, they should be accepted.

"We have the great and correct Common Program as the standard for reviewing our work and discussing questions. The Common Program must be fully carried out, it is the fundamental law at present of our country. I believe that, with the efforts of all the comrades, our session will be able to accomplish its tasks smoothly.

"Under the leadership of the Central People's Government, the peoples throughout the country are at present undertaking tremendous tasks, struggling to overcome the difficulties and improve the economic situation. All sides of the people's cause in our country are driving ahead along new paths, and each passing day sees new progress and achievements. No difficulty of any sort can halt the advance of the people's cause.

"The Chinese People's Political Consultative Conference and the National Committee it elected are the great political organizations of the united front cementing all nationalities of the country, all democratic classes, democratic parties and groups, people's organizations and democrats of all strata. They have very high prestige among the people throughout the country. We must consolidate this unity, consolidate our united front and steadily lead the people to attain their goal."

— (*Hsinhua Translation*)

number of new type intelligentsia who come from the working people.

This is one of the important tasks in new China's education, the minister revealed.

3) After gradual recovery in national reconstruction, higher education in China should develop step by step along planned lines. ". . . All universities and teachers training colleges should come under the direct control of the Ministry of Education. . . . As for the privately run and missionary schools, these must observe the laws of the people's government and follow the educational policy of the new democracy," he stated.

PLA Educational Level

A LARGE-SCALE plan to raise the educational level of about 1,000,000 PLA men in southwest China has been worked out and is to be put into operation by the beginning of next year, according to a *Hsinhua* dispatch from Chungking.

The plan calls for the setting up of a great number of primary and secondary schools, run along regular lines, where the men will spend a few hours each day. The schools will provide the illiterate or semi-literate men of poor peasant or worker origin with a primary education, and those of primary school level, with a secondary education within three years. The military and political academies also will be opened for those who have a secondary education.

Efforts are now being made to lay the groundwork for this huge plan, according to *Hsinhua*. Teachers are being trained, while illiterate army men are being coached to learn a few hundred words before the plan gets under way. The men who have been to school are reported to be busy brushing up in preparation for entrance examinations early next year.

ECONOMIC

North and South Trade

ALONG with China's economic steps forward in the past year has been the increasing flow of commodities between the north and the south. This phase has become more apparent especially since the implementation of centralized financial and economic measures in March of this year. The north China port of Tientsin has become the main funnel in the flow of supplies to the various administrative areas of the nation.

Commodities exchanged between the north and south, with Tientsin as the hub, made up six main categories: iron and steel, chemical raw materials, construction materials, manufactured and industrial products, daily necessities and native products. According to recent statistics, iron and steel, construction materials, chemicals and manufactured products occupied first place on the list of commodities exchanged. Native products and daily necessities took up second and third place. Some significant points have been that productive construction has increased and trade relations between city and village have been brought closer together. The steady flow of daily necessities was said to signify that the purchasing power of the farmers has been raised.

Articles of Interest:

Shanghai's Labor Movement

Stressing the major role of the organized workers in saving Shanghai's industrial plants and machinery from widespread destruction at the time of liberation, an article, "Shanghai's Labor Movement During the Past Year" (Sin Wen Jih Pao, Shanghai, May 27, 1950), outlines briefly the developments and achievements of Shanghai's labor movement during the past twelve months. The article credits the workers with considerable success in the various phases of the city's struggles to overcome difficulties and points up the chief defects in labor movement work, which it notes are now being criticized and tackled.

* * *

IMMEDIATELY after liberation, the article states, the development of the workers' organization was energetically pushed, and only four days later a Workers' Representatives Conference was called at which the Preparatory Committee of the Shanghai General Labor Union was formed.

The article describes how the newly formed committee sent out 103 working parties to factories to organize labor unions; initiated a study movement to promote political instruction; opened short-term courses and promoted cultural work among the workers. The workers, the article points out, led in the effort to restore and maintain production and in addition helped to eliminate secret agents and silver dollar speculators. They also joined the "comfort the army" movement.

The months from August 1949 to February 1, 1950, are described as a time during which the labor movement "gradually entered a more penetrating stage," combatting loose leadership and a laissez faire attitude. In these six months general union offices were set up in seven districts, 800,000 workers were organized, and union membership reached 443,050. The policy followed was that of the six major tasks set forth by the First People's Representatives Conference.

There was, says the paper, a great response by the workers in public and private factories to the call for increased production and practice of austerity. In many instances, active assistance to managements was given by workers in private factories, who even contributed part of their wages for running capital.

Since the inauguration of the General Labor Union in early February, the article states, Shanghai's labor movement has advanced yet another step, passing from the "organizational to the constructive stage." At this point the intensified, wanton KMT bombings and resultant damage to power companies caused labor union work to center on the anti-bombing struggle. In fighting this emergency situation, the article claims special credit is due the workers at the various local power stations for their courage and rapid repair work. The workers were also, it states, most enthusiastic in subscribing to Victory Bonds and by May 10 had bought JMP70,914,720,618 worth.

Other post-bombing difficulties encountered by enterprises in Shanghai are mentioned. Some private concerns suspended work, or their owners ran away. Unemployment rose to over 150,000. But, the article says, the workers still in employment met the situation with even greater concessions to management and stiffer economies.

After the Third People's Representatives Conference, the article states, the labor movement adopted the resolutions of that conference for its policy. It describes the employed workers implementation of this policy in responding to the General Labor Union appeal for assistance to the unemployed. By May 20, over JMP7,100,000,000 had been contributed in gifts of one day's wage and other donations. An Unemployed Workers Provisional Relief Committee was also formed.

The following recent figures of union growth are given: 32 industrial labor unions have been formally inaugurated; there are 1,282 branch and sub-unions, 752 branch and sub-union preparatory committees; union members have increased to 818,386. Quoting from incomplete statistics of the cultural and educational department of the Shanghai General Labor Union, the article reveals that 46 percent of the workers and employees are illiterate. During the past year 196 night schools have enrolled 15,900 students and 61 study classes have 23,000 attendants.

Commenting on the extent of government aid, in the face of extremely difficult financial conditions, the article points out the income of the workers has been insured by the distribution of 10,226,160 tons of rice and 161,000 bags of flour. The government also introduced measures whereby workers would be paid in parity units and deposits could be made in parity units. To protect the health of the workers a hospital and clinic have been set up and 56 nurseries organized for workers' children.

In its closing paragraphs, the article points out some shortcomings in the present work of the labor unions. Some workers, it states, have adopted too unbending an attitude toward management; some labor unions are still divorced from the masses; and in some public operated factories the coordination between administration and labor union is not well developed. Decision on how to overcome this lack of coordination, says the article, has recently been reached.

State Buying Increases

THE East China Corporation, organ of the state owned China Universal Providers Company, announced a doubling of purchases in May as compared to its April activities. With a view to assisting private factories and maintaining production, the corporation purchased JMP104,772,528,693 worth of commodities from private enterprises during May.

Compared to the first three months of this year, the May value of purchases was more than double that of the aggregate value of commodities purchased during January, February and March. The entire process of increased state purchases is an indication of the scope of the present economic policy.

The chief item on the May purchasing list was cotton piece goods. Cultural and educational articles and cotton textiles followed in that order.

The Week's Business

Business in the local market has turned livelier and the lull caused by the stabilization of prices in the early part of May has disappeared.

* * *

THE index of transactions for the eight leading daily necessities, according to the official *Giefang Rhbao*, increased 10 percent in May as against April, and by the first half of June was 27.6 percent over April. The amount of rice and cotton cloth changing hands shows the increased turnover. During the first half of June, a total of 100,628 piculs of rice were traded in the market, an increase of 83.7 percent over transactions during the second half of March and 122.7 percent over the first half of April. Dealings in cotton yarn also showed a marked increase in May.

An exception to the general increase in wholesale transactions was the edible oil market, which remained dull in the first half of June, with the amount bought and sold lower than any half-month level in April or May.

Retail transactions have also registered a considerable increase. The state trading corporation retailed a total of 457,000 piculs of rice in the latter half of March and the month of April. The amount was increased to 529,000 piculs during May and the first half of June.

Also reflecting the brisk tradings in the market were the activities at the Clearing House, where the turnover during the first half of June was JMP1,730,000,000,000, an increase of approximately 30 percent over the first half of May

The state-operated Department Store in Shanghai recorded total sales of JMP6,851,910,000 during the first half of June, an increase of 59.4 percent as compared with the half-month averages during April and May. At the six leading privately operated department stores, sales during the first week of June totalled JMP338,533,000, an increase of 90.5 percent over the average weekly sales in April, and 15.4 percent over the average in May.

The domestic remittance market also registered increased turnovers. During the second week in June, total outgoing remittances through government and private banks amounted to JMP105,377,000,000, an increase of 71 percent over the fourth week in April. Incoming remittances during the second week of June amounted to JMP110,026,000,000, an increase of 78 percent in comparison with the fourth week in April.

Prices for certain commodities which dropped to below their cost in March, such as industrial raw materials, paper and hardware, have all been readjusted, making it possible for the dealers to gain a reasonable margin of profit. At the same time, the relation of demand and supply has become normal. The dumping of goods by private merchants has been checked and supplies by the state-operated trading corporations are in greater demand. Dishonored checks, which amounted to 1.43 percent at the Clearing House in April, were reduced to 0.34 percent in the second week of June.

With the business situation improved, fewer enterprises are applying for permission to close down. In May, an average of 109 such applications were filed by business firms daily, and industrial enterprises averaged 19 each day. During the first half of June, the daily average for business firms dropped to 45 and for industrial enterprises to eight.

On the other hand, 28 suspended enterprises applied for permission to resume operations during the last 10 days of May and the first half of June. Membership in the rice market has increased by 25 percent in comparison with the lowest record in April.

The volume of interflow of supplies has also been growing. The amount of rice brought to Shanghai by private dealers from the rural districts was 46,607 piculs in April, 85,175 piculs in May, and, during the first half of June alone, 80,947 piculs.

Quotations

Following is a listing of representative commodity prices.

	June 14 JMP	June 21 JMP
Parity Unit	5,178	5,175
US dollar (TT)	37,000	37,000
20's yarn	5,150,000	5,170,000
42's yarn	7,920,000	7,880,000
12-lb. cloth	240,000	240,000
Rice, 1st grade	255,000	256,000
Battleship flour	65,500	—
Peanut oil	485,000	480,000
Coal briquette	17,500	17,500
Kerosene, Kuokwang	103,840	103,840
Koo Pan soap	217,000	238,000

SHANGHAI

Labor-Capital Consultation

THE labor-capital consultative councils in local factories are playing an important role in boosting production in Shanghai. Originally formed for the purpose of settling disputes between labor and capital, they have now become means of increasing production.

Through the consultative council both labor and capital now are able to work together in solving problems of increasing production. An example of this was found in the Hwa Foong Dyeing and Weaving Mills of this city. Following consultation between labor and management, the mills are able to produce 26,000 bolts of 12-pound shirting monthly, after the management agreed to supply 700 bales of raw yarn. The workers promised to cut down on their meal allowance, welfare allowance, and to work an hour a day extra should the mill fail to become self-sustaining.

At the same time, local private industry and commercial houses are emerging from their period of difficulty which was created by the sluggish market arising out of the transition from an inflationary economy to one of general stability. The primary cause is believed to be the general rise in production.

The textile industry is an example of how government help is maintaining or bolstering up private industrialists and enabling private capital to turn from speculation to productive efforts. Government assistance has kept two-thirds of the industry on its feet during the difficult months before the KMT blockade was broken. This help was mainly in the form of contracts for processing for the state cotton company of China.

Twenty-nine of the 31 privately owned steel mills in Shanghai have resumed operations, 18 of them on government work. Similarly, electrical equipment, dyeing and paper making are taking a turn for the better, and, keeping pace with the expansion of industry, the power output for the city during May rose by 11 percent compared with April.

Health Campaign

THE summer anti-cholera campaign, launched by the Shanghai Municipal People's Government has reached a new high since its inauguration at the beginning of last month. By mid-June more than 2,500,000 people had been inoculated against this dreaded disease. It was anticipated that the original goal of 3,000,000, set for a three month period, would be reached by the end of this month.

According to a story in *The Shanghai News*, the fulfillment of the target ahead of time was made possible by the combined efforts of the city's various district committees, educational bodies and public organizations. The same story revealed that the health campaign would be concentrated on disinfecting wells and controlling cold-drink stands as well as setting up safe drinking water stations in public places.

The Voice of America and Madame Sun

Here are the real facts in VOA's attempt to attack China's relief policy through the person of Madame Sun Yat-sen.

* * *

NOT long ago, in the midst of the hullabaloo raised abroad over famine conditions in China, the Voice of America insinuated that Madame Sun Yat-sen was not in accord with the Chinese government's policy of refusing to accept aid from what it considers imperialist donors.

This suggestion was contained in a special commentary devoted to Liu Shao-chi's May Day speech.

In this address, Liu, who is a vice-chairman of the Central People's Government, charged that American government offers of relief to China were made so as "to conduct subversive activities among the people of the affected areas." Recalling that American aid had "helped the Chiang Kai-shek gang to kill several millions of the Chinese people," he declared: "The Chinese people welcome really well-intentioned assistance from abroad, but as to the 'good intentions' of the imperialists, we have learned enough."

The "Voice" hinted that there was disagreement in China over this policy and declared that no less a personage than Madame Sun had cabled an appeal to the China Welfare Appeal in New York for US famine relief.

"Thus," the broadcast said in effect, "it would appear that both Madame Sun and the China Welfare Appeal are 'subversive' by Liu Shao-chi's standards."

* * *

IN China, Madame Sun felt compelled to issue a statement in answer to what she termed this "slanderous attack."

"I wish to state categorically," she said, "that this is a shameful lie which was used to distort the meaning of a paragraph in the May First speech of Vice-Chairman Liu Shao-chi. In the first place, I have never cabled the China Welfare Appeal asking for food. In the second place, Vice-Chairman Liu made it perfectly clear in his May First speech that the People's Republic of China is always ready to receive well-intentioned assistance from abroad, but we do not have to accept anything with imperialist intentions behind it."

However, the matter did not end there. On June 4, the Voice of America devoted another commentary to Madame Sun's statement, this time in a Mandarin-language program. A USIS dispatch from New York dated June 2 provides some clue as to its nature.

"The Mandarin evening program at 9:00 p.m. June 4 will feature a study of some recent anti-American propaganda efforts of the Chinese Communist Party," the dispatch said. "The commentary discusses the manner in which leading Chinese personages are being used by Party propagandists to lend their names to obvious untruths in an attempt to validate the untruth. The commentary cites the recent statement to the Voice of America by Madame Sun Yat-sen as an example of this new tactic."

* * *

FEW people in China who listen to the "Voice" regularly would have much trouble deciding who was being truthful in this instance. The VOA has made itself a willing mouthpiece for Hongkong and Taipeh rumor mills.

Not long ago, a prominent Shanghai industrialist, O. S. Lieu, spoke up at a meeting of the Shanghai People's Representatives Council to correct a Voice of America report that he had fled to Hongkong. Earlier, the well known overseas Chinese leader Tan Kah-kee, who is a member of the Central People's Government Council, was reported by the "Voice" to have left China in disgust. Mr. Tan did return to his home in Singapore last spring to report to overseas Chinese on what he had seen in China, but his remarks scarcely bore out the VOA assertions. The *Associated Press* quoted him as saying in Hongkong, "In China, there are absolutely no critics of the People's Government. The Chinese people give every trust to Mao. Any report to the contrary is speculation from reactionary people."

* * *

HOW far the Voice of America went in its fabrication concerning Madame Sun may be seen from a copy of the Spring 1950 issue of the *China Welfare Appeal Report* which has just arrived in Shanghai. This publication contains an article entitled "China Moves Food to Needy Areas" quoting facts on China's food situation reported by Madame Sun. It was evidently on this article that the "Voice" based its report.

Here is the story in its entirety:

"Satisfactory supplies of food are now available in China, and a nationwide mobilization of supplies and transport has been moving food supplies from areas of surplus to areas of need.

"These facts are reported by Madame Sun Yat-sen, China Welfare Fund chairman, who wrote to the China Welfare Appeal from Shanghai on March 6. They are in sharp contrast to exaggerated reports of mass starvation appearing in many newspapers here.

"Direct relief efforts within China included moving over 450,000 tons of Manchurian grain to the Yangtze valley and to parts of North China, where last year's harvest was cut by flood and droughts.

"Over 100,000 tons were set aside to feed millions of villagers while they rebuilt or strengthened a total of 1,800 miles of dikes in the Yangtze area. Completion of this work, it is estimated, will reclaim farmland on which more than a million tons of grain can be raised this year.

"Widespread reforestation to prevent soil erosion and conserve moisture is an even longer-range feature.

"A grain-saving movement calls for all persons to economize one ounce of rice from each of the day's two meals. Workers of one Shanghai textile factory, for example, have contributed a ton of rice saved in this way, as well as a relief fund equivalent to $5,000 in American money. Children in a single Shanghai school saved 1,300 lbs. of rice in 10 days for shortage areas.

"To help alleviate suffering resulting from the emergency, China Welfare Appeal is appealing for funds to make possible larger Friendship Cargo shipments of drugs, vitamins, vaccines and other medical supplies. Thus, while food emergencies are being fought by large-scale efforts in China, Americans can help prevent the outbreak and spread of disease, and provide essential help to sufferers through the International Peace Hospitals, medical clinics and child care projects supported by the China Welfare Fund. These are of permanent benefit, as well, and fully within the scope of private effort."

* * *

THUS, Madame Sun, instead of requesting food as the Voice of America would have its listeners believe, was reporting that China could handle its own food emergency. The China Welfare Appeal was advising friends of China of the true facts of the situation and explaining that they could help by sending drugs and medical supplies such as the China Welfare Fund has received from America in the past.

VOA listeners in China are not so gullible as to believe that Madame Sun, who is chairman of the People's Relief Administration of China formed last April in Peking at the All-China Representatives Conference of Relief Workers, would be likely to disagree with the principles of the organization she heads. It is more likely that VOA's distortions will serve only to further discredit their source.

INTERNATIONAL AFFAIRS

THE PACIFIC

Democratic Japan

A RECENT statement by Japan's chief Cabinet Secretary, Katsuo Okazaki, explained the government's anti-Communist policy as "natural inasmuch as Japan exists within the democratic camp of West Europe."

In a press conference, the cabinet secretary discussed some current features of a democratic Japan and emphasized the point that so long as Japan is in the democratic camp the government must consider the issue of outlawing the Communist Party. Okazaki expressed puzzlement over the Sino-Soviet pact, aimed at preventing Japan from invading either of the signatories. The government official felt this "strange" since, in his opinion, Japan is completely disarmed.

At another press conference, Premier Yoshida said that charges the US will convert Japan into a military base were "foolish and unnecessary thinking." He pointed out that America has aided Japan to the tune of $2,500,000,000, enabling her to recover from defeat faster than some victor nations.

Meanwhile, the *London Times*, reporting from Tokyo, stated that MacArthur's Communist purge has caused "great apprehension over possible underground activities" by the banned Communist leaders. The report stated that few Japanese believe the Communist Party will be greatly weakened by the present measures.

The *Times* story went on to say that "the dilemma in which the American authorities in Japan are now finding themselves is being steadily aggravated. The banning of demonstrations was unconstitutional under the Japanese law. . . ."

Correspondent Warned

SEVERAL days later, on June 12, the Tokyo correspondent of the *Times*, Frank Hawley, was advised that he was considered "persona non grata" by General MacArthur's headquarters. He was told that "no accredited correspondent should publish any news likely to interfere with MacArthur's objectives. Those who do so might be considered security risks."

Hawley was told by MacArthur's chief of staff that any correspondent could be expelled as a "security risk." The chief of staff was quoted by Hawley as saying: "The government could ignore the constitution if such action was in its opinion in the interests of the Japanese people as a whole." After being closeted with the chief of staff for one hour the British newspaperman said it was suggested he "toe the Headquarters line." Hawley also revealed that MacArthur's chief of staff said that even if some of the passages in his story were assumed to be true "they should have been suppressed at this critical time for the US in Japan."

Peace Treaty

PRESS reports from Tokyo point to a new problem for the US in Japan. The issue is whether US military bases will be maintained in Japan after a formal peace treaty is signed.

According to *AP*, "six months ago, only the Communists opposed post-treaty bases. The rest of the Japanese wanted the Americans to stay. . . Now, the country is debating the point. . . . American military authorities say that bases in Japan will be essential indefinitely, both for the protection of Japan and of the US. They do not want a treaty without clear rights to maintain the bases now held under the occupation.

"On the other hand, they say that they could not continue to maintain these installations against the majority of Japanese opinion. Some Americans cite this as one of the several reasons for concluding an early peace treaty with Japan. The government today could put across the policy of granting post-treaty bases, but it might not be easy to do in another year or two. The Japanese are showing an increased desire for independence and international equality. . . . It signifies that in its fifth year, the occupation has reached a declining curve in the effect of its policies and perhaps in its welcome. . . ."

At the same time, in Washington, the former Eighth Army Commander, Lt. General Clark Eichelberger, deplored peace treaty discussions as premature and suggested "it would have been better to have carried out the aims of the mutual assistance pact in Europe before risking possible loss of security which the US now possesses in Japan by international agreement."

While deploring talk of the peace treaty, Eichelberger expressed doubt that the proposal could be dropped now "because the snowball is rolling down hill." He apparently meant that public opinion in Japan was aroused by peace treaty prospects and was not likely to let the subject drop.

From the New Republic

Korean Delegates Arrested

AFTER making their way across "no man's land" to confer with a UN representative, three emissaries of the North Korean government on a peace mission were arrested by South Korean police.

The arrest occurred after the North Korean emissaries had met the UN representative and delivered copies of a peace manifesto which called for nation-wide elections and the establishment of a unified legislature for the whole of Korea by August of this year.

Before meeting the UN man and then being put into custody, the three North Koreans were forced to remain under cover, while bullets whined over their heads. It was only after the UN representative persuaded the South Korean outpost to cease fire that the meeting took place.

According to Seoul reports, it was not known what action would be followed by the police who detained the North Koreans. An original invitation from North Korea suggested that South Korea send representatives into their area to discuss plans for nation-wide elections.

US Planes for Indo-China

EIGHT C-47 transport planes with US Army airforce crews have left America for Saigon, under the military aid program. The National Defense Department in Washington announced this is the first time US airforce crews will be in Indo-China since the war and shows the determination of the US government to give military aid as soon as possible. The planes were to be turned over to French military forces upon their arrival.

A statement by the Defense Department declared the planes had been completely overhauled and were in splendid condition. The planes could be used at once for paratroop operations. The aircraft were said to be thoroughly practical for transportation purposes in Indo-China as they can take off and land at small airfields.

The Department also announced that additional shipments of military equipment will leave in the near future for Indo-China. It also referred to a communique it had given out in regard to naval landing craft now being re-activated for Indo-China under the military program to stress the fact that the Department

is giving naval, army and airforce aid to Indo-China. The Department hopes to send substantial military equipment to Indo-China before the season ends in September, it was reported.

Consolidated Asia

THE US has been urged to consolidate its aid to Asia's non-Communist nations into a regional program like ECA in Europe with General MacArthur at the head. William Knox, president of Westinghouse Electric International Company, made the suggestion and at the same time urged America to limit the amount of money spent on Japan to one-half the total amount allocated to the entire Asiatic area.

Knox stated: "The current hot spot in the cold war is Asia, where the American's policy of foreign aid should embrace all non-Communist areas."

Meanwhile, various anti-Communist stalwarts throughout Asia were keeping an anxious eye on the American mutual defense assistance program which, with Congressional approval, would give US$1,222,500,000 to Near and Far Eastern countries "fighting" Communism. Among those waiting for their share were Indo-China, South Korea, and the Philippines. The British in Malaya also were said to be anticipating a sizable amount of American aid.

Sources in London have stated that the US has promised to give Britain military equipment to help them beat the "Reds in Malaya." The same sources declared that Chinese-speaking American technicians are also likely to be provided so that the British authorities can try to restore more effective contacts with Malaya's big Chinese population. Official sources in London reported the moves are part of a big new offensive Britain is planning in order to win back control of her rich dollar earning Far East possession.

THE WEST

Muddle in Britain

CONTRADICTIONS within the Labor Party were manifested in the muddle over the Schuman Plan, calling for the unification of the French and German steel industries. Contrary to Premier Attlee's and Foreign Minister Bevin's support of the American-backed Schuman scheme, the Labor Party's National Executive Committee issued a manifesto in opposition to government policy on both the Schuman Plan and present plans for European union.

Recent reaction in Britain has not been at all favorable to the Schuman Plan. Ever since its announcement, following Acheson's talks with the French premier in Paris on the eve of the most recent Big Three meeting, some opinion in Britain has been that in one respect the move was a threat to British financial interests. The project to amalgamate the heavy industry of the main countries of Western Europe, under American control, which would control steel and coal production in France and Germany, definitely represents a menace to British coal and steel interests. The same sources felt that any such Washington-Paris-Bonn deal was yet another blow at Britain's already staggering economy.

"Lying and Warmongering"

REUTER'S chief correspondent in Berlin, John Peet, was fed up. At a press conference called by Gerhardt Eisler, head of the East German Information Department, Peet said that he "could no longer serve the Anglo-American warmongers." He said the last straw had been the "lying and warmongering reports in the Western press of the great Whitsun youth peace demonstration in Berlin."

Peet, described by *Reuter's* chief representative in Germany as having "always been a completely objective correspondent in Berlin," told the press conference that, "As a Western journalist, I have become automatically and increasingly a tool of the American-controlled war machine. As an English patriot, democrat and friend of peace, I cannot continue along this path."

Peet went on to say that in the first and immediate post-war years it was possible to some extent, by means of objective reporting, to play a small part in helping a peaceful development of Europe and the world. However, he stated, it slowly became apparent that "messages which spoke favorably about developments, for example, in the German Democratic Republic, were being suppressed by the newspapers.

"Every Western journalist, if he is honest can only laugh sadly at the so-called Western freedom of the press. There is a freedom only for the warmongers and we correspondents are paid to supply the stories that they like. But we have no freedom to report truly what is in fact going on or to fight for peace," Peet said.

Wallace Calls for End to Cold War

ON Memorial Day eve, when the memory of America's recent war dead underlined the significance of the fight for world peace, former Vice-President Henry Wallace called for an end to the cold war and a period of expanding world employment and trade. In a speech which was broadcast over a nation-wide hookup, after a fight for broadcasting time by the Progressive Party, Wallace warned the American people that unless America fails to act "we shall be as guilty as the decent German rank-and-file who permitted Hitler."

In his speech Wallace had three specific suggestions on how all Americans can participate in ending the cold war: 1) Organize "Trygve Lie peace demonstrations" in every city. 2) Send letters to President Truman asking for a cut of 30 percent in armaments of all kinds, including the atomic bomb. 3) Form "Progressive Capitalism Clubs" to save capitalism by making it serve the people rather than exploit them.

Wallace condemned President Truman and Senator Taft as appealing to prejudices which have been built up during the cold war and for failing to offer a constructive alternative to the cold war. He stated: "During the past two weeks President Truman and Senator Taft have given their point of view over national hookups to the millions of the US. Tonight I come to speak for and to the millions of voiceless and forgotten Americans who fear that the Administration foreign policy means war."

Included in Wallace's plan for an end to the cold war was the organization of Americans by Congressional districts to ask all Congressional candidates if they believe in Lie's program of continuous top-level negotiation and conciliation between the great powers; outlawing of the atom and hydrogen bombs; and a four-power agreement on Germany to prevent its rearmament, provide for real denazification and end the cartel system. The Progressive Party leader pointed out that in another war the US will lose more men by far than in any past war and the American civilian will feel war at first hand for the first time since 1865.

Cold War on Wallace

WHILE Wallace called for the end of the cold war on a world-wide scale a report from New York reveals that even Wallace's own radio speech was subjected to a "preliminary skirmish."

The broadcast on the night of May 29 was made over the Mutual Network, one of the four major American radio networks, with the exception of its New York station, WOR. However, New York listeners were afforded the opportunity of hearing their former vice-president speak on world peace by a recording over station WOR, at five minutes after midnight.

According to listeners, "The speech was introduced by a WOR announcer who laughed continuously as he announced 'an address by Henry Wallace.' Then, as Wallace began his talk, some jazz music accompanied it in the background on the same station."

Replying to various listeners' inquiries as to this novel procedure, the radio station's explanation was that the announcer's laughter had nothing to do with the subject of Wallace' speech —something had happened in the studio to make him laugh. The jazz was attributed to a "technical slip."

THE STRUGGLE FOR A BASIC TURN FOR THE BETTER IN THE FINANCIAL AND ECONOMIC SITUATION OF THE STATE

MAO TSE-TUNG

(Report submitted to the Third Plenary Session of the Seventh Central Committee of the Communist Party of China)

THE present international situation is favorable to us. The world front of peace and democracy, headed by the Soviet Union, is more powerful than it was last year. The people's movement for peace and in opposition to war has spread in the various countries throughout the yoke of imperialism, have greatly extended. Especially noteworthy are world. The national liberation movements, aiming at throwing off the the mass movements of the Japanese and the German people that have arisen against US occupation and the people's liberation struggles that have developed among the oppressed nations in the East.

At the same time, the contradictions between the imperialist countries, principally between the USA and Britain, have also developed. Quarrels have also increased among the various groups within the American bourgeoisie and among the various groups within the British bourgeoisie. In contrast, there is strong unity in the relations between the Soviet Union and the people's democracies. The new Sino-Soviet treaty, which is of great historic significance, has consolidated the friendly relations between the two countries. On the one hand, it enables us freely and more rapidly to carry forward the reconstruction work within our country. On the other hand, it is giving an impetus to the great struggle of the peoples throughout the world for peace and democracy in opposition to war and oppression.

The war threat of the imperialist camp still exists. The possibility of a third world war exists. However, the forces fighting to check the war danger, to prevent the outbreak of a third world war, are growing rapidly. The degree of consciousness of the great majority of the people in the world is rising. If only the Communist Parties of the whole world continue to unite all the possible forces for peace and democracy, and enable them to grow still further, a new world war can be thwarted. War rumors spread by the Kuomintang reactionaries are designed to deceive the people. They are groundless.

* * *

THE present situation of our country is as follows:

The Central People's Government and the local people's governments at all levels of the People's Republic of China have been set up. The Soviet Union, the new democracies and a number of capitalist countries have established diplomatic relations with our country, one after another. Basically the war has been ended on the mainland. Only Taiwan and Tibet still remain to be liberated and this is still a serious task.

In a number of areas on the mainland, the Kuomintang reactionaries have been adopting a kind of bandit guerilla warfare, inciting a section of the backward elements and struggling against the people's government. The Kuomintang reactionaries have also organized many secret agents and spies to oppose the people's government. They spread rumors among the people in an effort to undermine the prestige of the Communist Party and the People's Government and undermine the unity and cooperation between the various nationalities, democratic classes, democratic parties and groups and the people's organizations. The special agents and spies also engage in activities subversive of the people's economic affairs, assassinate workers of the Communist Party and the people's government and collect information for the imperialists and the Kuomintang reactionaries. All these counter-revolutionary activities are planned and directed from behind the scene by imperialism, more especially American imperialism. These bandits, special agents and spies are the imperialist lackeys.

Since it gained decisive victory in the three great campaigns of Liaos and Mukden, Hsuchow and Pengpu and Peiping and Tientsin in the winter of 1948, the People's Liberation Army has occupied all the territory of China apart from Tibet, Taiwan and several islands in the thirteen and a half months since the crossing of the Yangtze on April 20, 1949, and has annihilated 1,830,000 Kuomintang reactionary troops and 980,000 bandit guerilla forces; and at the same time the people's public security organs have unearthed large numbers of secret service organizations and special agents. Now the People's Liberation Army still has the task of continuing the extermination of the remnant bandits in the newly liberated areas, while the people's public security organs have the task of continuing the attack on the enemy secret service organizations.

The majority of people throughout the nation warmly support the Communist Party, the People's Government and the People's Liberation Army. In recent months, the People's Government has carried through, all over the country, unified control and unified leadership in financial and economic work, achieved financial balance in income and expenditure, checked inflation and stabilized prices. The people of the entire country have supported the government by delivering their grain, paying taxes and buying state bonds. Our country suffered widespread calamities last year with 8,000,000 hectares of farmland and 40,000,000 people enduring flood and drought to a greater or lesser degree. The People's Government has organized large-scale relief work for the afflicted people and has been carrying out water conservancy projects on a massive scale in many places. The crop this year is better than last year's and the summer harvest in general is good. If the autumn harvest is also good, then it can be foreseen that the situation in the coming year will be even better than this year. The long years of rule of imperialism and the Kuomintang reaction have brought about an abnormal alignment in our social economy and considerable unemployment. Since the victory of the revolution, the old social economic structure as a whole has been undergoing a realignment in various different degrees, and there is an increase in the number of unemployed. This is a serious matter and the People's Government has begun to adopt measures for relieving the unemployed and fitting them into jobs so as to solve this problem step by step. The People's Government has carried out widespread cultural and educational work and large numbers of intellectuals and young students have joined in study to acquire new knowledge and have taken up revolutionary work.

The People's Government has done some work in reasonably readjusting industry and commerce and improving relations between the public and private enterprises and between labor and capital. It is now continuing this work with even greater effort.

* * *

CHINA is a vast country and conditions in it are highly complex. The revolution first gained victory in certain areas and was then achieved throughout the country. Accordingly, in the old liberated areas (with approximately 160,000,000 population), agrarian reform has been completed, social order has been established, economic construction work has begun to proceed on the right track, improvement have been made in the standard of living of the majority of the laboring people, the problem of unemployed workers and intellectuals has been solved (as in the Northeast) or is nearing solution (as in North China and Shantung), and in the Northeast in particular, planned economic construction has begun. In the newly liberated areas (with approximately 310,000,000 population) because liberation is only a few months, six months or one year old, there are still more than 400,000 bandits, scattered over out-of-the-way places, to be annihilated, the land problem has not been solved, industry and commerce have not yet been properly adjusted, the phenomenon of unemployment is still serious and social order has not yet been stabilized. In a word, conditions for carrying out economic construction in a planned way have not yet been achieved.

Therefore, as I have said, we have now attained a series of victories on the economic front, for example, the approaching balance of national income and expenditure, the ending of currency inflation, the tendency of prices toward stability. All these illustrate the beginnings of a turn for the better in the financial and economic situation, but not yet a fundamental turn for the better. Three conditions are required for the financial and economic situation to take a fundamental turn for the better. These are: 1) the completion of agrarian reform; 2) the proper readjustment of existing industry and commerce; and 3) large-scale economies and reduction in expenditure by government organizations. A certain length of time is needed to attain these three conditions. It will take about three years or a little longer. The entire party and the people throughout the country must strive to create these three conditions. Like the rest of us, I am confident that these conditions can be worked for and realized with complete certainty in about three years. Then we will be able to see the entire financial and economic situation of our country turn fundamentally for the better.

* * *

TO this end, the party and all the people in the country must unite and carry out the following tasks well:

1) Carry forward the work of agrarian reform step by step and in an orderly manner. The war has been fundamentally ended on the mainland, the situation is entirely different from that between 1946 and 1948, when the People's Liberation Army was locked in a life-and-death struggle with the Kuomintang reactionaries and the issue had not been decided. Now the government is able to help the poor peasants

solve their difficulties by means of loans to balance up the disadvantage of having less land. Therefore, there should be a change in our policy towards the rich peasants, a change from the policy of requisitioning the surplus land and property of the rich peasants to one of preserving a rich peasant economy, in order to help the early restoration of production in the rural areas, and this change is also favorable for isolating the landlords and protecting the middle peasants and small renters of land.

2) Consolidate the unified control and leadership in financial and economic work, consolidate the balance of income and expenditure and the stabilization of prices. In accordance with this principle readjust taxation and lighten the burden of the people as far as is proper. On the principle of unified planning and taking into account the interests of all sections, exterminate blindness and anarchy in the economic field step by step, properly readjust existing industry and commerce and improve relations between the public and the private enterprise and between labor and capital earnestly and properly, so that the various economic components of society have a division of labor and cooperate with each other and each plays a correct role under the leadership of the state-owned sector of the economy, which is of a socialist nature, to facilitate the revival and development of the entire social economy. The idea of some people who think it possible to bring about an early elimination of capitalism and introduce socialism is wrong and unsuitable to the conditions of our country.

3) On condition that it guarantees sufficient forces to liberate Taiwan and Tibet, consolidate the national defenses and suppress the counter-revolutionaries, the People's Liberation Army, while retaining its main forces, should demobilize a part of its troops in 1950. This demobilization must be carried out carefully, so that the demobilized army men settle down in productive work when they return home. Retrenchment is necessary in administrative organs and superfluous personnel should also be dealt with in such a manner that they have the opportunity of obtaining work and of studying.

4) Carry out systematically and carefully the work of reforming education in the old schools and the old style cultural work in society and win over all patriotic intellectuals to the service of the people. On this question, procrastination and unwillingness to carry out reforms is incorrect; but rashness or attempts to carry through reforms crudely is also incorrect.

5) Relief work for unemployed workers and intellectuals must be carried out seriously, and the unemployed are to be helped step by step to get work. The relief work for the people stricken by calamity must be earnestly continued.

6) We must earnestly unite with the democratic personages of all circles, help them solve the problems in their work and studies, and overcome any tendencies to seclude ourselves from them or to make unprincipled concessions in the work of the united front. We must seriously convene the People's Conferences of All Circles so as to bring about satisfactory results, as they are capable of uniting the people of all circles to carry out work in common. All the important work of the people's government should be submitted to the people's conferences for discussion and decisions. All the delegates to the people's conferences must have full rights to speak; any action suppressing the people's representatives from speaking is wrong.

7) All bandits, spies, despots and other counter-revolutionary elements, who are harmful to the people, must be resolutely wiped out. On this question, we must carry out the policy of combining suppression and leniency, that is, the policy of punishing the principal culprits and not bringing to book those who were forced to become accomplices, those who do meritorious work are to be awarded and no neglect of any of these points is permissable. The whole party and all the people throughout the country must increase their vigilance against the subversive activities of counter-revolutionary elements.

8) Resolutely carry out the Central Committee's instructions on consolidating and developing the organization of the party, on strengthening the links between the party and the masses of the people, on the unfolding of criticism and self-criticism, and on ideological remoulding throughout the whole party. In view of the fact that our party has grown to a party of four and a half million, we must from now on adopt a policy of carefully expanding the party organization; the careerist elements must be resolutely barred from entering the party and the careerists within the party must be appropriately expelled. Attention must be paid to systematically recruiting politically-conscious workers into the party and to expanding the proportion of workers in the party organization. The enrolment of party members is, generally, to be stopped in the rural districts of the old liberated areas. In the newly liberated areas, the organization of the party must, generally, not be expanded in the rural districts before the completion of agrarian reform, so as to prevent careerist elements from utilizing the opportunity to slip into the party. In the summer, autumn and winter of 1950, the whole party must, in the course of undertaking various kinds of tasks, and not in isolation, carry out a large scale ideological remoulding by the method of reading certain set documents, reviewing work, analyzing the situation, developing criticism and self-criticism et cetera, in order to raise the ideological and political level of the cadres and party members in general, overcome mistakes in work, conquer sentiments of pride and complacency in thinking oneself a hero, overcome bureaucracy and authoritarianism and strengthen the links between the party and the people.

— (Hsinhua Translation)

LETTERS

(Continued from Page 55)

the people were suppressed by the bureaucratic members of the old regime. Anyone who broached the subject of democracy was liable to be spotted out and imprisoned as a communist. Worse still tortures were given to the victim to such an extent that sometimes death was the result. Quite often students and teachers were kidnapped and jailed. Nowadays, in New China, no such things have happened.

Formerly graft and corruption were rampant. Whenever a case was brought to court, the party that had command of wealth could buy his victory by means of bribery. Nowadays, when a case is presented to court for judgment, the judge and plaintiff and defendant can all sit together and talk it over through a process of criticism and self-criticism. There is no bureaucratic red tape and hush-hush practice at all.

For instance, quite recently the writer, as an auditor, saw one of the judges actually put on his raincoat in order to go with a poor maid-servant, the victim of a case of rape to see the son of a rich family. The son had purposely hidden himself at home although he had been summoned by the court. Such an exemplary democratic spirit has never been seen here in Shanghai heretofore.

Then again, when the principal of a school or college exercises corruption or ill-treatment on any teacher, he is summarily dismissed for injustice or inability from his position and replaced by a new one.

Furthermore, when the manager of a company unfairly dismisses an employee, the latter can bring the case to court and have the matter thrashed out in the presence of the judge. The formation of the labor unions of the workers, who earn their living either with their brains or brawn, strikes a deathknell to the practice of injustice and corruption.

Occasionally we have seen demonstrations and processions going on in the streets with banners and yang ko dances and beating of drums and playing of bugles. To an ordinary onlooker they may mean nothing but behind the beating of drums and dancing of yang ko there are many grievances from the past—murders, assassinations, exploitation. These demonstrations reflect the darkness of the past regime on the one hand and the willingness of the masses to welcome the present on the other.

PATRICK HENRY

Shanghai
June 10, 1950

CHENGTU EVENTS

To the Editor:

I would appreciate if you would publish the following correction:

In a reference to Dr. Lan Tien-ho which appeared on page 9 of the March 4, 1950 issue of the **Review**, I stated that he was a prominent leader in the Youth Corps. That statement was based on hearsay, not on proper evidence. I therefore wish to withdraw it and apologize for making it.

I thought you would be interested in the great drop in prices which we are experiencing here. Rice is lower by 25 percent of the price a month ago. The price of coal has gradually come down to as low a price as we remember in Chengtu. The rate of electricity has also come down and, for the first time in Chengtu history, we now have continuous service and at a good voltage.

The stores and the streets are flooded with goods of all kinds. On all the main streets there are stalls all along the curb side of the sidewalk. Many of them are piled with a great variety of second-hand stuff. Others have new goods, foreign and Chinese. All prices are low, some just ridiculously low.

EARL WILLMOTT

Chengtu
June 4, 1950

NEW TRAIN SERVICE

To the Editor:

Something new is constantly being added to train service in China today. Now there is not only an observation smoker and first rate diner, but also a "children's car." Only parents with children are allowed on this special coach where smoking is not permitted.

Particularly noticeable along the Peking-Tientsin line are new railway ties replacing the old so there's not a ripple in the teacup. There are also new telegraph poles and new fences. PLA men can be seen working at controlling floods, their rifles bivouacked with coats and caps draped over them. The vegetable gardens near Peking are verdant and wheat in the fields is heavy on the stalk.

P. T. C.

Tientsin
June 6, 1950

The Review's English Lesson CXXXVI

Adverbs

AN adverb is a part of speech that, from its name, has something to do with verbs. But words that relate to some other parts of speech are also called adverbs, while words that relate to nouns or pronouns are called adjectives. We speak of this relation as "qualifying" or "modifying;" that is, an adjective or adverb is a word (or it can be a whole phrase) that qualifies, modifies, describes another word or phrase.

In "the red house," we have a simple adjective—the word "red," which describes the noun "house." In "he ran **slowly**," the word "slowly" tells *how* he ran, and since "ran" is a verb, "slowly" is an adverb.

The best definition for an adverb is: An adverb is a word used to qualify any part of speech *except* a noun or pronoun.

Thus, an adverb may qualify a preposition, as in "He arrived **long** before the time." "Before" is a preposition, and the adverb "long" qualifies the preposition; it tells *when* he arrived. Or an adverb may qualify a conjunction, as in "I want to know **exactly** how it happened," where the adverb "exactly" modifies the conjunction "how."

Adverbs are useful words, since they describe, or limit, the action or state expressed by the verb in a very economical manner. They are sometimes divided into three classes: 1) simple adverbs, 2) interrogative adverbs, and 3) relative adverbs. The *simple adverbs* express the meaning of: time when; place where; number; manner, quality, or state; quantity, extent or degree; and affirmation or denial.

Time: The chief adverbs expressing time are: now, then, before, since, ago, already, soon, presently, immediately, instantly, early, late, afterwards, yesterday, today, tomorrow. Examples: He will **soon** arrive. He was taken ill **yesterday.**

Place: Some adverbs of place are: here, there; in, out; above, below; inside, outside; far, near, etc. Examples: Put the book **here,** not **there.** The people came from **far** and **near** to welcome the soldiers.

Number: Once, twice, thrice, again, seldom, sometimes, firstly, secondly, etc. Example: He came **once,** but he will not come **again.**

Manner, quality or state: The adverbs of this group are many. Some of them are: thus, so, well, badly, surely, probably, certainly, conveniently, happily, sadly, etc. Examples: He did his work **slowly,** but **surely.** He came **happily** into the room.

Quantity, extent or degree: In this group are: very, much, too, quite, almost, a little, rather, somewhat, so, wholly, etc. Examples: He is **almost,** but not **quite,** as tall as I. He is a **very** studious boy.

Affirmation or denial: Yes, no, not, not at all, by all means, etc. Examples: He did **not** come after all. Go, **by all means.**

Those adverbs that are used for asking questions are called *interrogative adverbs.* They fall into the same groups as simple adverbs, except that there is no "affirmation or denial" group; this is replaced by a "cause or reason" group:

Time: **When** did he come? **How long** will he stay?

Place: **Where** are they going?

Number: **How** often are you going to forget your hat?

Manner, quality or state: **How** are you going to do this job? I heard he was ill; **how** is he today?

Quantity or degree: **How much** do you want to do this?

Cause or reason: **Why** didn't you come sooner?

The third group, *relative adverbs,* are in the same form as interrogative adverbs; but instead of asking questions, they join two sentences together. (Thus, relative adverbs are adverbs and conjunctions combined.) The antecedent can be omitted, as in "This is **where** we live," or expressed, as in "This is the place **where** we live." Similarly, we have: "Tell me **when** you will leave," and "Tell me the time **when** you will leave."

The little word "the" is also used as a relative adverb, in such constructions as, **"The** harder the work, **the** better he likes it." The meaning is: **"To what extent** the work is hard, **to that extent** he likes it." Thus, the first "the" is a relative adverb, and the second "the" is a demonstrative adverb.

Some adverbs may be compared, like adjectives. There are three ways in which adverbs are compared. The first is: soon, sooner, soonest; long, longer, longest. The second is irregular: well, better, best; little, less, least; much, more, most. The third is the most common; most adverbs ending in **-ly** are compared as follows: wisely, **more** wisely, **most** wisely; quietly, **more** quietly, **most** quietly.

The three grades or steps of comparison are called the positive, the comparative, and the superlative. Thus, "I care **little** for his opinion" is the positive form: no comparison with another's opinion is expressed. But in "I care **less** for his opinion than for yours," the comparison of one opinion with another is expressed. And in "I care **least** for their opinion," the degree of my caring is as small as it can possibly be.

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